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18 April 1986

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INTER-AMERICAN AFFAIRS

ARGENTINE COLUMNIST ROUCO ON NICARAGUAN-LIBYAN CONNECTION

PY040136 Buenos Aires LA PRENSA in Spanish 2 Apr 86 pp 1, 4

[J. Iglesias Rouco column: "Managua's Libyan Connection"]

[Text] According to reliable sources within the UCR [Radical Civic Union], Mr Alfonsin is "very concerned" these days about the course of events in Central America and particularly about the tone of the Sandinist regime's political attitude, which seems to be escaping Havana's control, at least the total control that Castroism has exercised over Managua in recent years.

According to what we were told by some of our sources, presidential concern became more pronounced after Washington's visible disapproval of the Argentine initiatives in Punta del Este. After the White House complained to the Argentine Foreign Ministry about the "Peace Corps" for Costa Rica that was discussed in Uruguay and about the link that was established there between the position of the Cartagena Consensus and that of the Contadora Group--thereby adding, in accordance with the Castroist thesis, the foreign debt problem to the Central American conflict--an important U.S. official told Mr Alfonsin during a meeting that Washington had received the Argentine posture as "a slap in the face."

Both U.S. and Argentine officials who had been in Managua or are serving there had sent very precise information to Buenos Aires about the growing number of Libyan policemen and military experts in Nicaragua, who are there against Mr Castro's best advice. Apparently, Colonel al-Qadhdhafi's financial assistance to the Sandinist Government already amounts roughly to \$300-400 million. According to estimates, Tripoli had sent fighter planes and other materiel to Nicaragua, along with some 40 specialists, between military advisers and--perhaps mostly--internal repression experts. All this is in the context of the terrorist offensive with which Al-Qadhdhafi threatens the United States "throughout the world," including places far away from the Mediterranean region--as he said after last week's incidents in the Gulf of Sidra. According to the same information sent to Buenos Aires, Libyan experts have already participated, together with Argentine Montoneros, in questioning sessions of Nicaraguan oppositionists.

The capers of the Libyans in Nicaragua have already been widely reported in U.S. and European newspapers. But here, the state television and radio keep

up the propaganda in favor of the Sandinist regime at a time when a repressive wave is sweeping Nicaragua in the wake of the state of siege; at a time when the Sandinist dictatorship most visibly--including resorting to torture and "disappearances" of hundreds of prisoners--moves against the wave of Latin America's "democratization," for which the Alfonsin government claims to be struggling.

In the view of Washington and of European and Latin American experts, the Libyan presence in Nicaragua, which is made easier by the financial shortcomings of Cuba and even of the Soviet Union, represents the first step of the penetration of Al-Qadhdhafi's regime in Latin America, aiming at the consolidation and expansion of the subversive tide that is assailing the continent, including the Southern Cone.

According to this view, Moscow is covertly encouraging this new Al-Qadhdhafist adventure with one purpose in mind: To brand as "madness" the notion of the development of Latin American terrorism in "the backyard" of the United States and yet to try to introduce what it considers "madness" in the territory of the United States or at least in its zone of immediate security (Central America) without showing its face as the author or accomplice of that "madness." In that way, Moscow will keep its negotiation channels with Washington open, save precious foreign currency, and push the United States and Latin America into a subversive fire that not even the Soviet Union could douse (lack of Soviet or Castroist control over Al-Qadhdhafi is admitted by Americans and Europeans as a fact). This strategy of acting behind the scenes will liberate Moscow, in case of an agreement with Washington on nuclear missiles, European security, and global strategic questions, from a negotiated obligation to clip Al-Qadhdhafi's wings, thus giving up the advantage represented by the destabilization of the "backyard." To this should be added the prospect that the "Libyan-style" terrorism will have more profound psychological effects because of the "demented and suicidal" character of the Libyan terrorist organization; the possible logistic support from the local subversive groups that were trained and supported by Libya during the past decade (recall the case of the Montoneros); possible help from the people of Arab extraction in Latin America; and the fact that Libyan terrorists will have a "particular" target represented by the Jewish community established in this region, which is quite large in Argentina.

Western Evaluation

The evaluation of those possibilities has completely turned around the political and strategic considerations with which the United States and many of its NATO allies--keep in mind that Western Europe is also under the Al-Qadhdhafist threat--have until recently looked at the Central American conflict. This evaluation can be summed up this way:

1. In the hand of the Sandinists, Nicaragua is on its way to becoming the first state in the world, or at least in the West, to serve as a platform for Al-Qadhdhafi's regime outside Libya (which now is not a state strictly speaking, but a terrorist base).

2. Consequently, any form of economic, diplomatic, or military support for Nicaragua will ultimately result in support for Al-Qadhdhafi, and not only for his conventional "military" actions but for the nonconventional ones, which include an atomic option for which technological resources have been sought for more than a decade.

3. Argentina today is, within Latin America, the only country in a position to offer Libya such resources, and both the local extreme left and extreme right lean toward favoring that "option," in the same way as the Alfonsin government has so far accepted the shoring up of the Sandinist "revolution."

4. The amount of financial aid that Libya has already given Nicaragua and the human resources that it has there and the strategic interest of the Soviets and Cubans that we have already outlined make the alliance between Managua and Tripoli practically irreversible.

5. The Palestine terrorist organizations, such as the PLO, which is already represented in Latin America, the Arab countries of the so-called "front of firmness" against Israel, such as Iraq, could eventually second this Al-Qadhdhafi offensive in Latin America, if only in the diplomatic and political spheres.

6. Under the brand new Libyan influence, the Sandinist regime has presumably sent some 500 activists to Argentina, Bolivia, Uruguay, and neighboring countries, in addition to the hundreds of Cubans, who under various camouflages are in action in the Southern Cone, mostly in the Rio de La Plata region in universities, commercial enterprises or underground.

7. According to indications, which are not yet complete because all the "intelligence" has not yet been collected, Tripoli is presumably about ready to invest important sums in Latin American drug trafficking because Al-Qadhdhafi sees, as do certain Sandinist leaders, that it is a valuable weapon in the "anti-imperialist struggle." His new Nicaraguan allies, including Commander Borge himself, have been accused in the United States of active participation in the Latin American drug trafficking to the United States.

As for the rest, apart from the cooperation that Libya gave the Montoneros and other Latin American subversive sects during the last decade, a cooperation that continues if the joint police work that Libyans and Montoneros are now carrying out in Nicaragua is taken into account, there are no indications yet of a significant "Libyan connection" with Shining Path, the ERP [People's Revolutionary Army], the M-19, the MIR [Movement of the Revolutionary Left], and the other terrorist commandos of South America. Moreover, these "armies" are making alliances, and they are starting to move in a coordinated way; and, all of them, or nearly all of them, fly the pro-Sandinist flags in addition to their own flags. Thus, the new Libyan alliance with Managua can easily be extended to these other groups.

In upcoming articles, we will reveal some reports of a military origin regarding the nature of the agreements that have presumably been concluded between foreign subversive movements with their Argentine counterparts, including their common activities, such as those of the Shining Path and the ERP (one of its chiefs, Gorriaran Merlo, was presumably in Managua recently contacting precisely the Libyan "technicians"). Of course, what cannot be rejected is the fact that these reports, given their military origin, may be slightly partial and even have sectarian ends. However, it is true that the majority of the authors of the reports submitted them to the government and they are full of details that can be proven by the authorities. If half, or even a quarter, of the details contained in the reports are true, then Mr Troccoli's optimism regarding subversive activity in the country does not seem to be very consistent.

But, for today just this one detail: Buenos Aires' "entente" with Managua will mean, if it continues, a Buenos Aires "entente" with Tripoli, which today is one of the main centers, if not the main one, of terrorism and world "destabilization."

Therefore, there is no lack of motives for the presidential concern. In this respect, Mr Alfonsin is experiencing some very black days. In effect: Close on the heels of the U.S. warning, the president presumably received the request of an important bishop who is interested in the replacement of the lady under secretary for worship. In the end, the Casa Rosada is keeping alive numerous and very delicate conflicting "fronts."

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CSO: 3348/491

ANTIGUA AND BARBUDA

PAPERS REPORT, COMMENT ON BIRD ADMINISTRATION'S BUDGET

Signs of ALP 'Infighting'

St Johns OUTLET in English 7 Mar 86 p 1

[Text]

Something is rotten within the ranks of the Bird Cabinet and the Antigua Labour Party.

Delivering his presentation on the Budget last week, Deputy Prime Minister Lester Bird brought to light surprising revelations as to the widening rift between government ministers, this time in Parliament itself and over the air-waves.

"After ten years in power, the Antigua Labour Party is now at the crossroads", said Lester Bird who is also the Minister of Foreign Affairs, Economic Development, Energy and Tourism. That statement was repeated at least three times. Lester is convinced that his government and party have lost their way, and the government is riven in twain without unity of purpose, and thus, it stands or sits divided at the crossroads.

RENT ASUNDER

He continued **"Our economic performance throughout the last ten years was achieved by us working together in harmony with a common purpose".** Now, that harmony and common purpose has been rent asunder was his obvious point.

The obvious implication was that as a result of the savage infighting presently existing with the Cabinet and Party, there was no unity, no purpose, no direction. Antigua drifts to nowhere - very fast.

What the Deputy Prime Minister could not say, but what he obviously implied was that the government, headed by his father V.C. Bird, and of which he is heir apparent, no longer had the unity of interest, will nor capacity to govern in the national interest. In short, the individual Cabinet war-lords were doing their own thing, to the detriment of the party, government and country.

In past weeks, Cabinet ministers have used the Bird owned ZDK radio and the **Workers Voice**, organ of its self described industrial arm, to savage each other. **Lester Bird, in his Parliamentary address implied that one faction would have to go in order to end the in-fighting and power struggle within the ruling party.**

Suggesting that there were Cabinet colleagues eager to see his downfall, Lester revealed that for years he has been attempting to remedy the poor drainage service in his constituency, **St John's Rural East**. But so far, he lamented, without success. An underhand snipe at the Minister of Public Works, Hilroy Humphreys. The latter, a staunch opponent of the perpetuation of the Bird dynasty has on other occasions, attacked the Deputy's policy of 'foreignization'.

"I WILL FIGHT"

Lester, now speaking in an angry tone said "It was the drainage problem that influenced the people to throw out their last parliamentary representative. Obviously there are some who want to see me go out the same way. But I will not go down with a whisper. I will fight".

Startling stuff indeed! The Bird government, elected overwhelmingly in 1984, with no parliamentary opposition, with a total monopoly of the electronic media, can do nothing but fight against each other, even within the supposedly sacred halls of Parliament!

To be sure, the electorate did not give them a mandate to undermine each other, to amass personal fortunes or to do their own thing, oblivious of the national interest. But absolute power corrupts absolutely and a house divided against itself cannot stand.

But there was more to the Deputy's Parliamentary presentation which to most political observers sounded more like the speech of a Prime Minister designate than a critical analysis of the Budget itself. Indeed, in his attempt, by use of numerous statistics, to portray his government's so called economic miracle, Lester confined himself to accomplishments achieved within the Ministry of Economic Development and Tourism. As if to say, these achievements are mine, not the government's. But he was quick to point out that the people had not appreciated these efforts. Certainly the people perceive national development quite differently from Lester Bird. Genuine development does not need the support of statistics to prop it up. For wasn't it Mark Twain who remarked that statistics are of three kinds, said Mark Twain: **"Statistics are lies, more lies and damn lies."**

Anyway, Lester Bird's national address was instructive in more ways than one. For he made it very clear that Antigua can only be developed with foreign capital. He again scolded those within the Cabinet who were accusing him of "selling out" the country and allowing foreigners to dominate the economy.

"This government will have to decide whether it wants industrialization by invitation, and development by invita-

tion," he angrily asserted. He made reference to a government Senator whom he said had alleged that he, Lester and Peter De Savary were conspiring to take away Antigua people's land. He also defended De Savary whom he said had been viciously slandered by residents in the English Harbour/Falmouth area.

NOT ME

Lester admitted that the accusations of foreign domination were not confined to the political opposition parties in their normal political rivalry but had gained currency within his own party and government. And these accusations were levelled at him. **"I will no longer be held responsible"** he said.

But his very speech was an affirmation of the increasing foreign domination of the economy. For to Lester, **De Savary is the best thing to have happened to Antigua since Nelson.** As far as he is concerned, Antigua lacking natural resources cannot do without De Savary, or Rappaport, and cannot develop without total reliance on foreign capital.

"So who cares if they developed Liverpool and British from the backs of slaves.

This is 1986, we have to recognise the reality, they have the capital, we have to use them." As if an ant could exploit an elephant's massive feet to its own advantage.

When Prime Minister Bird came into Parliament during Lester Bird's speech he re-emphasised that he was no longer going to take the blame for the 'foreignization' of Antigua, and that **the Government and not Lester Bird** must be held responsible for this policy. The point was obvious: PM V.C. Bird must take the heat rather than Lester B. Bird.

Noticeably while Lester Bird spoke, new rival, Reuben Harris, Minister of Education, was not in parliament. He had skipped the Budget debate, watching cricket in Jamaica and staying on there. Even though Education was a major feature in the Budget nothing was heard from the Education Minister!

Most noticeably, none of the Government media, nor Lester Bird's own medium **The Herald** gave any prominence to his Crossroads Speech. No parliamentarian replied. The ALP riven from top to bottom is out of harmony, has no common purpose and cannot govern.

St Johns OUTLET in English 7 Mar 86 p 2

[Text]

The 1986, Budget in which the government of Antigua has budgeted to spend some 160.5 million dollars, while its revenue is projected at 159 million dollars, has some serious surprises which were never revealed in Parliament, because of the One-Party character of Parliament.

MILITARISATION

The most stunning fact is the increase in **military expenditure** in Antigua and Barbuda. The Ministry of Defense, which falls under Prime Minister V.C. Bird himself, had some startling increases, and is in excess of all the normal heads of expenditure except Health and Education.

The best way to note the staggering increases in military expenditure would be by observing that in 1984 the Prime Minister's office spent 6 million, 910 thousand dollars, while in 1986 the Prime Minister's office will spend 18 million, 802 thousand dollars! An increase of more than 250%! **No explanation whatsoever is given in the Budget and none was asked for in the One-Party Parliament.**

Finance Minister John St Luce glibly passed over this massive increase in military expenditure and said only "that since last year provision has been made for a number of allowances for members of the Police Force thus enhancing their take-home pay". No mention whatsoever was made of military expenditure, or worse, the amount allocated to the military. The police we are supposed to believe, got an increase, hence the 250 percent increase in the Defence Budget. It was low-down dirty 'trick.

In plain terms, the Antigua & Barbuda Government is deliberately concealing from the public the massive increases in military expenditure. **The Bird regime is secretly militarising Antigua and Barbuda to maintain itself in power.**

MASSIVE PUBLIC DEBT

Another stunning feature of the 1986 Budget was the fact that debt payments received the largest slice of the 1986 Budget. Debt payments to be paid by the Antigua Government amounted to the huge figure of **27 million, 589 thousand dollars!**

This staggering figure allocated for "the repayment of principal and interest on Loan facilities" is more than one-sixth of the entire budget. When military expenditure and debt payments are added together, they account for 30% of the Budget. In fact, military expenditure and debt payments are together greater than the Bird regime's combined expenditure on Education, Culture & Youth, Health, Agriculture, Land, and Fisheries, Labour Housing and Co-operatives!

Though the amount to be paid this year, 27 million dollars, is given, the Minister of Finance, by a neat trick, did not say what the total debt of Antigua was. The last time he gave a figure he said the total debt was EC\$58 million. Now he admits to a single loan of U.S. 45 million dollars but never gives the total debt. The public debt is not the public's business, is the new dictate of the Bird regime.

The Budget is so badly skewed in favour of military expenditure and debt payments that no development is possible, and existing levels of public works, health, education, and utilities must deteriorate to below their current abysmal levels.

RIP-OFF

Another stunning feature of the 1986 Budget is that the word 'oil' is not mentioned at all! Though oil prices have plummeted to an all-time low, now down to less than US\$12 per barrel, Antigua and Antiguan continue to pay the same prices as when fuel prices were 6 times higher!

In other words, the government of Antigua is **deliberately** inflating the economy and prices, and at the same time, allowing foreign-owned West Indies Oil Company, to buy refined products at **dirt cheap prices** and to sell the products to the public at **grossly inflated prices**. Who benefits?

Is West Indies Oil reaping this windfall? If so are there kick-backs? And how much does government get out of the Oil Rip-off? The same ALP government that challenged the surcharge on electricity bills during the 1972-75 oil price hike, has itself increased the Fuel Variation which replaced the Surcharge - declared illegal. The illegal has now become legal, and doubly so.

As ACLM Chairman Leonard Tim Hector said at ACLM's last public meeting on Thursday 13 February "The more oil prices go down, the more Bird's Fuel Variation on our electricity bills go up".

Finance Minister John St Luce ducked this gross irregularity in the 1986 Budget and wasted a lot of precious time quoting some of the most reactionary writers including Edmund Burke 1729-1797 rather than deal with the pressing realities of 1986.

The 1986 Budget was really a bag of tricks designed to fool the public about the real size of military expenditure; about how to conceal the public debt from the public; and how to side-step the oil price rip-off altogether.

ACLM acting chairman Conrod Luke described the 1986 Budget debate in parliament thus "Apart from Myers and Lester Bird, nobody said anything of note. It was the most meaningless and insipid so-called debate ever. The one-party character of the State is a definite ban on public debate and knowledge. I heard many people wishing that there was an ACLM representative in Parliament to deal with the Budget and other issues for the public good and information."

HERALD'S Assessment

St Johns HERALD in English 7 Mar 86 p 3

[Article by Brunel Meade]

[Excerpts]

Last week was Budget Week in the State of Antigua, Barbuda and Redonda. The Honourable Minister of Finance opened his Black Box before Parliament on Monday February 24th, 1986. It is about this season each year that most state Financial Chief Controller table before Parliament their State's Budget. In this regard our Budget presentation was earlier compared to the time of delivery last year-1985. The budget delivery occurred with little public enthusiasm. In most developed and progressively developing economies the presentation of the State Budget is followed very closely by the public especially the public sector personnel who are directly related to its preparation and implementation.

The 1986 Budget outlined that the broad goals and objectives of the Antigua and Barbuda government is to attain

economic growth of the countries Gross Domestic Product (GDP) as well as improve the level of economic development; thus leading to an improvement in the economic welfare of the population as a whole. This is indeed a noble goal and is the ambition of most modern governments.

The Budget indentified revenue constraints, a mixed structure market economy, mini state and small size; problem of unemployment, predominant dependency on tourism openness, a challenge of debt servicing, (which has become a major world economic problem, especially of the Third World), low taxable capacity, low level of domestic saving, low investment capital and low linkage in economic sectors. It also identified the limitations experienced in the Caricom Market, especially in the area of regional trade, and the high cost of international financing. Against this background of economic budgetary constraints to

manage a State Budget of this size of recurrent Expenditure of EC\$160,599,229 and Revenue of EC\$159,923,287 is indeed a formidable challenge for a small mini state.

Recurrent Expenditure of 1986 reflects and increase of EC\$31,214,034 over 1985 or an increase of 24%. While Recurrent Revenue of 1986 improved to EC\$30,538,092 or 24%.

In terms of major revenue changes, the Prime Minister's head declined in 1986 for 1985 by 21%; Ministry of Finance increased in 1986 over 1985 by 24%, comparing the same year. Ministry of Education increased by 20%, while the Ministry of External Affairs, Economic Development, Tourism and Energy declined by 25%. The greatest increases were the Ministry of Public Utilities, Aviation and Communication 33% and the Ministry of Labour, Housing and Cooperatives 45%.

On the Expenditure side, Recurrent Ex-

penditure main changes for 1986 over 1985; Cabinet Head increased by 30%, Judicial 12% (increase), charges on Public Debt 26% (increase), Finance increased 33%, the Ministry of Agriculture, Lands and Fisheries, a slight increase of only 6%, both Health and Education and Culture and Youth Affairs 11% (increase), External Affairs, Economic Development, Tourism and Energy 19% (increased) and the Ministry of Legal Affairs and Attorney General receiving an improvement of 20%.

The 1986 Budget was indeed an improvement on the proceeding 1985, if only from a reduction in the deficit which a traditional standard used in evaluating Budgetary Planning. The deficit of Expenditure over Revenue for 1985 was EC\$8,826,827. The Budget for 1986 reduced the deficit to a mere EC\$675,942. In his regard we must applaud the financial planners for the hard work reflected in the 1986 State Budget.

/9317
CSO: 3298/388

ANTIGUA AND BARBUDA

BRIEFS

ITALIAN LOAN--St Johns, March 20--Italy has approved a loan of U.S. 10 million dollars to Antigua and Barbuda for the second phase of a feasibility project to redevelop the island's capital, St Johns. Tourism Minister Lester Bird said the project's aim is to turn the city into a commercial duty-free centre, which will feature numerous tourist-oriented goods. He said it seeks to bring the tourists out of the hotels and into the city to shop and explore the different aspects of Antigua and Barbuda's culture. [Excerpt] [Bridgetown CANA in English 1716 GMT 20 Mar 86 FL] /9317

CSO: 3298/388

ARGENTINA

MONTONEROS JOIN PERONIST REVOLUTIONARY FACTION

Montoneros to Abandon Armed Struggle

Buenos Aires AMBITO FINANCIERO in Spanish 26 Feb 86 p 5

[Passages enclosed in slantlines printed in boldface]

[Text] The self-described "revolutionary Peronists" yesterday formalized their birth as a faction of the Justicialist movement. At least this was what their spokesman, youth leader /Pablo Unamuno,/ reported.

According to Unamuno, the national board of the recently formed group consists of /Mario Eduardo Firmenich/ (who is imprisoned in Devoto, accused of kidnapping and murder), /Fernando Vaca Narvaja/ (a fugitive from justice, accused of a variety of crimes), /Roberto Perdía/ (known by his nom de guerre "El Pelado," and also a fugitive), /Enrique Olguin, Jorge Cepernic, Ines Lopez, Edgardo Zuain, Nelva Falcone, Jorge Reyna, Emilio Persico, and Pedro Montero./

As could be expected, the "Montoneros" demanded the "non-payment of the foreign debt and the completion of the renegotiation of dependence," in addition to calling for the resignations of Ministers /Juan Vital Sourrouille, Antonio Troccoli and Dante Caputo./ The first question that comes to mind is what the principal Peronist leaders think of the new internal faction made up of the same people whom Peron once expelled from the Plaza de Mayo, branding them "stupid and naive." One might also wonder what the labor elements in that political organization think of this group, considering that its main exponents decided on and participated in the murders of Vandor, Alonso and Rucci. It is well known that the principal opposition party is undergoing a difficult period internally, and there is no doubt that this new "addition" will create even more controversy. Perhaps that is the "Montoneros" goal.

Debate

One positive aspect of yesterday's announcement is that the "Montoneros" are apparently abandoning the armed struggle to deal with the political debate. This issue must have been debated by the top leaders of that political-military group in some Latin American country.

It is difficult to imagine how the "revolutionary Peronists" are going to be directed when their most important leaders are in prison or on the lam.

Political Leaders' Reaction

Buenos Aires AMBITO FINANCIERO in Spanish 27 Feb 86 p 5

[Text] The establishment of a Peronist faction made up of well-known Montoneros (Firmenich, Perdia, Vaca Narvaja) came as no surprise to observers who are studying similar processes in Uruguay (the case of the Tupamaros) or the phenomenon of "mainstreaming" through democratic means. We thought it would be interesting to hear the opinion the Argentine political class has of this political comeback by the Montoneros, who always preached "Neither forgive nor forget."

Cesar Jaroslavsky: The establishment of the Montoneros as an internal faction of Peronism is a problem the Justicialists must deal with. I feel sorry for them. But this is something that will be useful for us in doing away with masks in politics. Personally, I do not trust the announcement made by the new faction. They must now face a concrete problem of credibility. If their emergence as an internal faction of Peronism is an act of repentance, I welcome it, but I do not believe it. As long as there are people like them around, I plan to sleep with one eye open. They have caused a lot of damage to the country.

This gives me the same feeling I would have if Camps were released and stated that he is forming a political force to defend democracy. I cannot help but be biased in my view of those who caused such tragedy in this country. I do not forgive either side; I will never forgive them.

Maria Julia Alsogaray: Essentially, the Montoneros used violence to carry out their plan for changing the social structures. This is just the opposite of what the democratic political parties have done. We believe that our program is as revolutionary as theirs, if not more so, but we have always felt that changing the system requires a consensus. It is hard for us to believe that those who did not believe in consensus, but rather in organized violence, are now prepared to accept the political struggle.

Guillermo Manrique: This is an indication that the old cells that advocated the violent destruction of this country are still active. In this case, they are looking for a good place to settle down. I am convinced that the idea of majority rule that prevails in Justicialism runs counter to the philosophy of this incipient group. But I believe that if we do not proceed rapidly to ensure its political extinction, we run the risk that it will contaminate others intelligently and astutely.

Nestor Perl (national deputy for Reform Justicialist Party): Before talking about the emergence of revolutionary Peronism as an internal faction of the party, I would ask myself whether all those who belong to it are party members. If they are, they have every right to form an internal group. And

if there is any ideological problem with the positions they advocate, the disciplinary tribunal will have to judge them, not I.

Alberto Natale: The name Montoneros is associated tragically with what happened in Argentina during the last decade. Those who inspired and encouraged it are responsible for having selected a path that caused the holocaust of so many young people. If in 1986 they sincerely renounce the methods they used to employ, in order to take political action on the civilized terms inherent in democracy, then we can conclude that our horrible past has taught us some lessons. It does not matter if we also disagree with their ideas; what matters is that we all be willing to defend our own while respecting others'.

Raul Bercovich Rodriguez (president of the Justicialist Party national congress): I am not familiar with the document they issued, or with what they said at the press conference. I do not know what they want, or what objective they will pursue. Anything that represents a sincere defense of democracy, freedom and social justice is fine with me. But all that must fit within the Peronist doctrine. I will have a better idea as soon as I study the document. For now, I can only say that to build an internal faction they must be members, and they must adhere to the Peronist doctrine in every way. For example, for Vaca Narvaja to be active in the party he must have joined up again in 1983, when we all had to confirm our memberships.

Marcelo Arabolaza (Intransigent Party): The formation of a new internal faction of Peronism cannot be dealt with outside that party. We have no opinion on that, because the leaders and members of the Peronist movement must deal with it. Regarding their proposals, anything that represents a true and sincere desire to seek democracy as the only possibility for strengthening public liberties is appropriate. Argentina needs the rehabilitation and self-criticism of all the sectors which participated in and affected what happened during those difficult years, and we hope that the events of the future will reflect this new democratic attitude.

Rogelio Papagno (labor union leader of the Justicialist Party and of the 62 Organizations): If what the newspapers say is true, I reject it out of hand. There is no Montonero Peronism. The general himself threw them out of the Plaza. They are not Peronists. If they want to form a party, that is up to them, but they have never been Peronists.

8926

CSO: 3348/464

ARGENTINA

UBALDINI'S EMERGENCE AS MAJOR POLITICAL FORCE ANALYZED

Buenos Aires EL ECONOMISTA in Spanish 28 Feb 86 p 20

[Text] Before we plunge into the always tricky area of political hypotheses and venture predictions about whether Saul Ubaldini ("the" candidate) will run for governor of Buenos Aires Province, we need to take a brief yet revealing look back at the meteoric political career of the leader of the brewery workers union. This will provide valuable signposts for exploring the brilliant current prospects of the secretary general of the CGT [General Confederation of Labor] and, at the same time, for more or less accurately predicting his future, which so far looks very bright.

Without question, the emergence of the union activist in the forefront of Argentine politics is due to an almost circumstantial and involuntary combination of factors (it is highly unlikely that there could have been such superbly planned maneuvering). In the first place, the infighting within the labor movement intensified towards the close of the military government and extended into the period before the elections. Secondly, Peronism has been suffering from a deep-seated crisis of leadership ever since March 1976, and lastly there is Ubaldini's undeniable "carisma" and the diversity of tactics that he has employed.

To all of the above, however, we must add a fourth relatively important element: Ubaldini's apparent apolitical nature, that is to say, his alleged reluctance to join any of the union factions that are facing off against each other in the "union internal struggle," in spite of the ties between many of his allies and the "25."

An analysis of the above leads to the deduction that Ubaldini's rise has little to do with the existence of his own organization, especially considering that the union to which he belongs is not one of the largest or most politically influential.

Nevertheless, 1986 finds him at the summit of union power, having become one of Peronism's national figures (perhaps the only one?).

How do we explain Ubaldini's rise? Jorge Caterbetti, one of the men with links to the "Peace, Bread and Jobs" groups that are pushing Ubaldini's

candidacy, has asserted that he intends to "unify Peronism based on the natural leadership that Ubaldini exercises over the party's activists."

Perhaps the answer to the enigma is contained in the words "natural leadership."

Even though it rankles many, the unquestionable fact is that Ubaldini exercises a sort of leadership over Peronism's scattered ranks. This is true even if we acknowledge that many of the brewery union leader's "successes" are due to the strength of the unions with which he has allied himself.

This factor, which might have been very important in the past, has been relegated to a secondary status at present. Ubaldini's star now shines with its own light (though through an outside organization) in the Argentine political firmament, and his gubernatorial bid is proof of this.

Although Ubaldini himself has come out and denied the rumors, the fact is that his candidacy is constantly on the minds of certain labor leaders, especially those who feel that the political sector of the Peronist movement does not have much of a chance today of defeating the ruling party.

Within this school of thought are the so-called "five Latins": Juan Farias (Construction), Aldo Serrano (Light and Power), Pedro Goyeneche (Textiles), Ruben Pereyra (Sanitation Works) and Miguel Candore (Union of Civilian Personnel of the Nation). They, together with Juan Zanola (Bank Workers), Cesar Loza (Longshoremen), Domingo Solimano (Teachers) and Jose Pedraza (Railway Workers), were the ones who paved the way for Ubaldini to occupy the top CGT chair alone and who are pushing the new labor union strategy for the foreign debt and the staging of the Unity Congress.

But when all is said and done, what chance does Saul Ubaldini have to become Casella's opponent at the next election? Every chance in the world and none at all. In the first place, the launching of Ubaldini's candidacy seems to have been, rather than a definite bid, a message to the political sector aimed at making the brewery union leader part of any future internal negotiations. At the same time, however, these are the first tactical probings towards forming a solid union structure, with political backing albeit without much ideological consistency, in an effort to vie for posts with the Radical Party and head towards the 1989 presidential election.

Conjecture aside, the fact is that unless the political sector recovers from its prolonged and dangerous lethargy, control of the Peronist movement will change hands (the transfer of power is already silently under way), and the characteristics of the opposition will undergo a very rapid transformation.

8743

CSO: 3348/465

18 April 1986

ARGENTINA

CGT SCORES POLICE REPRESSION IN CORDOBA

PY022319 Buenos Aires TELAM in Spanish 2347 GMT 1 Apr 86

[Text] Buenos Aires, 1 Apr (TELAM)--The General Confederation of Labor (CGT) has issued a communique on the incidents that occurred on 31 March in Cordoba after a demonstration staged by dismissed workers.

The CGT stressed that we had not seen this kind of show since 30 March 1982 and that the demonstrators, including the women, were wildly attacked and beaten.

The communique stated that police used mace, clubs, and all sorts of blunt objects, and that repression was so wild that the policemen ended up beating each other.

The document, entitled: "The Government Begins Dialogue With Repression," stressed that three Buenos Aires Province deputies were directly attacked, and that this shows that the government does not respect the rights of labor and political leaders.

The communique added: We have staged rallies throughout our country without a single incident on the part of the workers, and now it is the government which has resorted to violence.

The document stated that on 2 April, CGT Secretary General Saul Ubaldini and other labor leaders will travel to San Nicolas to convey their solidarity to the SOMISA [Argentine Iron and Steel Association] workers, who began to struggle for our sovereignty and for our national interests after the government announced that the company will be transferred to the private sector.

The CGT communique added that we will struggle to prevent the international monopolies from turning this company, which promotes our industrial growth and strengthens our economic independence, into an instrument for their strategy of dominating world markets.

After stating that on 2 April the CGT will express its support for the SOMISA workers, the document concluded by recalling those who fought in the Malvinas Islands in defense of our sovereignty.

/9599

CSO: 3348/492

ARGENTINA

CONGRESSIONAL APPROVAL OF ARMED FORCES RESTRUCTURE EXPECTED

Buenos Aires AMBITO FINANCIERO in Spanish 5 Mar 86 p 11

[Text] There was an odd get-together yesterday at the headquarters of the Joint Chiefs of Staff. Gathering there were national Congressmen Alende (Intransigent Party), Zubiri, Bisciotti and Moreau (Radical Civic Union), Melon and Macaya (Peronist Party) and Alsogaray's daughter (Democratic Center Union), all of them members of the House Defense Committee. In subsequent separate statements over the radio, they voiced their agreement with Brig Teodoro Waldner about the scaling down and overhaul of the Armed Forces scheduled for this fiscal year.

Brigadier Waldner told the legislators that the weapons systems of the various branches had to be standardized so as to simplify procurement and cut maintenance and infrastructure costs. As Defense Ministry sources indicated, "this is a need that stems from current economic conditions and the realities of rapid technological change, which entails high costs for outfitting and training personnel, and if such costs are not cut, the financial demands will go completely out of control."

The brigadier told the lawmakers that "the military must be professionalized because modern technology is becoming increasingly important in the Armed Forces." Waldner reported in detail on the efforts that the Joint Chiefs of Staff are engaged in with regard to the plan to streamline the Armed Forces and the steps that will be taken in 1986.

Jaunarena

Defense Secretary Horacio Jaunarena, who also attended the meeting between Brigadier Waldner and the legislative committee, felt that the head of the Joint Chiefs of Staff and the lawmakers had "a very interesting conversation." He emphasized that "it is very helpful to the Executive Branch for the Legislature to inform itself about and voice its opinion on these issues."

With regard to the professionalization of the Armed Forces, he explained to newsmen that "the issue of the professional soldier or the draftee has not yet been spelled out or resolved." He went on to say that "what we do have is a commission at work in the Defense Ministry that is made up of people from the ministry, the Joint Chiefs of Staff and the service branches."

Modernization

He indicated that the commission "is looking into the modernization of compulsory military service and would have to decide whether in the future the Argentine military will be professional or, as it does now, continue working with draftees."

Jaunarena also felt that the commission would come up with some findings this year, but he clarified that "in any event no spectacular short-term change is foreseeable."

8743

CSO: 3348/465

ARGENTINA

BRIEFS

NAVY RELATIONS WITH NATO SCORED--Buenos Aires, 28 Mar (TELAMO)--The Communist Party of Argentina (PCA) today charged that the relations the Argentina Navy maintains with NATO (North Atlantic Treaty Organization) jeopardize a policy which seeks world peace and are an affront to the memories of those who fell in the Malvinas. In a communique signed by PCA Press Secretary Jorge Bergstein, the PCA states that during the closing ceremony of a meeting of representatives of the Argentina, Brazilian, Uruguayan, and Paraguayan Navies on 21 February, Rear Admiral Cosentino, the Argentine Navy representative, emphasized NATO's acknowledgment of the Argentine participation in the operation "Expanded-Sea-84." The communique adds that Defense Minister German Lopez and Defense Secretary Horacio Jaunarena attended the meeting. In conclusion, the PCA communique asks the executive branch to explain this flagrant contradiction between its foreign policy which champions peace and disarmament and the Navy's attitude of cooperation with such an aggressive military organization as NATO, which cooperated with the invaders of our Malvinas Islands, and bears allegiance to U.S. imperialism. [Text] [Buenos Aires TELAM in Spanish 0035 GMT 29 Mar 86] /9599

ALFONSIN CRITICIZES U.S. POLICY--Argentine President Raul Alfonsin has said that U.S. President Ronald Reagan's attitude in support of the Nicaraguan counterrevolutionaries is not correct. President Alfonsin expressed his feelings to Thomas O'Neill, speaker of the U.S. House of Representatives, during his visit to Buenos Aires. Raul Alfonsin also strongly criticized the trade protectionist policy practiced by the Western powers, especially the United States, and added that such a policy is what causes the low prices for Argentine products and creates difficulties in finding markets. [Text] [Havana International Service in Spanish 2300 GMT 2 Apr 86] /9599

CSO: 3348/492

ARUBA

LAGO REFINERY NOT TO REOPEN; DISMANTLING PLANNED

The Hague ANP NEWS BULLETIN in English 12 Mar 86 p 4

[Text] Oranjestad (Aruba), March 12)--The 300,000-barrel-per-day (BPD) Lago oil refinery on Aruba, closed by U.S. oil giant Exxon in March 1985, will not reopen, the special envoy of the Dutch government Emile van Lennep said last night.

Van Lennep, a former secretary general of the OECD, said that after a thorough examination of the situation the Aruban Government had decided there was no future for the refinery.

The tiny Dutch Caribbean island would now open talks with Exxon on the dismantling of the refinery installations, he said.

Van Lennep said he had been asked to advise Aruba in these talks and would put the request to the Dutch government in The Hague.

Aruba intends to make Exxon pay for the dismantling which, according to estimates here, will cost 50 to 100 million U.S. dollars.

Hitler Slogan

The island has said it will also seek compensation for environmental damage caused by the refinery.

In October Aruba's previous administration demanded 250 million dollars in compensation from Exxon, but the oil company rejected the claim and said it would contest it in court.

The Lago refinery was built in 1927 and began refining crude oil from nearby Venezuela in 1929. Over the years it had become the mainstay of the island's economy.

During the Second World War it played a crucial role in supplying fuel for allied aircraft and refinery workers coined the slogan "Let Hitler boil in Lago Oil." But in the 1980's the refinery fell victim to the slump in world demand for oil and surplus refining capacity in the Caribbean region.

/9365

CSO: 3200/17

CHILE

JOURNALISTS PROTEST TREATMENT BY CARABINEROS

PY030202 Santiago Radio Chilena in Spanish 1700 GMT 2 Apr 86

[Excerpts] [Indistinct passage omitted containing the recording of a heated argument between Carabineros and reporters] Regrettably, this type of dialogue between reporters and members of Carabineros is now very frequent. The journalists protest attacks against them by Carabineros when they are working on the street. The Carabineros refuse responsibility and they deny that these repeated incidents against reporters take place.

The heated argument that we have just listened to took place today at noon in front of the Metropolitan Cathedral. Approximately 400 people, including employees of the Vicariat of Solidarity and members of the Relatives of Detained-Missing Group, demonstrated demanding justice on the first anniversary of the kidnapping and killing of three professionals whose murderers have not yet been captured.

The demonstrators tried to read a public statement on violent deaths in Chile, when they were harshly repressed by a special force of Carabineros. The police first used mace, continuing with tear gas and ended up using water mixed with chemical gases.

When Veronica Baez, president of the Matrons Professional Association, was angrily protesting to a Carabineros officer about the attack that Carabineros had carried out against her, photographers took pictures of the incident. At that point, the police attacked the reporters violently beating them with truncheons, fists, and feet. Reporter Jaime Cavada, a member of the Independent Photographers Association, AFI, got the worst beating.

An undetermined number of people was detained by the police, including an Argentine social security worker, who is visiting our country.

At 1220 [1620 GMT] the incidents were taking place throughout the whole of Santiago's main plaza. These incidents were carried out by pedestrians who were protesting Carabineros' repression of the demonstrators, who had to withdraw into the Cathedral.

Meanwhile, Pablo Portales, president of the Metropolitan Council of the Journalists Professional Association, told Primera Plana about the results of his talk with the officer in charge of the unit that attacked the reporters.

[Begin Portales recording] The officer in charge of the special force of Carabineros has promised to instruct his personnel not to attack reporters, because a group of photographers was attacked just a few minutes ago here in front of the doors of the Vicariat of Solidarity, and this attack took place after the demonstrators had been dispersed.

We have protested this type of incident on 31 March, when we met with Commander (Diarte) at Carabineros headquarters. He belongs to the Public Relations Department and who is a colonel. [end recording]

Portales said that his association will continue to lodge protests at Carabineros headquarters until the Carabineros understand that they must respect the press when it is carrying out its tasks.

/9599

CSO: 3348/493

CHILE

BRIEFS

UNIVERSITY STUDENT DETAINED--Emilio Banda, vice president of the Student Federation of the Tarapaca University, has been arrested by the Carabineros. The student was in the Engineering College, on the Northern Campus of the university, distributing an invitation to the students asking them to participate in the national mourning of the educational sector and in a mass that will take place today at 1700 [2100 GMT] on the (?Sauquache) Campus. The arrest took place this morning at 0930, when the uniformed police arrived at the university. The police first talked with Luis (Kitson), dean of the Engineering College, and then proceeded to arrest Banda. Banda's whereabouts are unknown, but it is presumed that he is under arrest at the Third Precinct of this city. Approximately 300 students are at this time in the offices of the university's rector and with shouts they are demanding the release of their leader. [Excerpt] [Santiago Radio Chilena in Spanish 1700 GMT 2 Apr 86] /9599

CSO: 3348/493

COLOMBIA

OCAMPO COMMENTS ON MARITIME BORDERS WITH NICARAGUA SCORED

Lopez Letter to Michelsen

Bogota EL TIEMPO in Spanish 18 Mar 86 pp 1-A, 8-A

[Passage between slantlines in boldface in original]

[Text] Former President Alfonso Lopez Michelsen yesterday asked President Belisario Betancur to convene the Foreign Relations Advisory Committee to determine once and for all whether there is a dispute between Colombia and Nicaragua over maritime borders.

Lopez found it odd that Foreign Minister Augusto Ramirez Ocampo is unaware that we have yet to delimit maritime and underwater areas and the continental shelf with Nicaragua. He added that "thanks to God and to the efforts of the president, we have excellent relations with Managua's Foreign Ministry," which ought to be taken advantage of to begin direct talks.

"My modest opinion is that no Colombian, much less the republic's foreign minister, could concur with or unknowingly promote such an assertion, which runs counter to the policy of successive administrations. As Dr Ramirez Ocampo himself would say, this must be a mistake," Lopez emphasized in connection with the Colombian foreign minister's stand.

In his letter the former chief executive, who makes reference to the interview published in this paper, says that if Foreign Minister Ramirez Ocampo were to travel less and read more, he would realize that we have to negotiate a treaty with Nicaragua.

The former president writes that he presumes that Ramirez Ocampo's interview with EL TIEMPO "must have been discussed with the president as to its language and content, inasmuch as it dealt with delicate issues involving our sovereignty. Even though the judgment of the Advisory Committee is not binding on the administration, inasmuch as the president alone makes foreign policy, I would feel more at ease and sleep better if some of its members shared by point of view, which is inspired by no less patriotic motives than those of the members of the administration."

Lopez, who is headed overseas today, wrote the following letter:

President Belisario Betancur

Mr President:

On the eve of my absence from the country for a few weeks, I was surprised to read in EL TIEMPO that the republic's foreign Minister, Dr Augusto Ramirez Ocampo, has stated emphatically that Colombia has no pending border dispute with Nicaragua.

He says: "No patriotic Colombian can contend that our borders with Nicaragua are uncertain." And he adds: "I am profoundly convinced that the published statements of former President Lopez with regard to the dispute with Nicaragua are in error. He served as president of the republic and foreign relations minister. He therefore knows quite well that our borders with Nicaragua are precisely defined by the Barcenas-Esguerra Treaty. All administrations have maintained this position, which is in keeping with our country's clear-cut traditional stand on the inviolability of international treaties."

I did serve as foreign relations minister, and Colombia's claim to its rights over the Roncador, Quitasueno and Serrana keys, which culminated triumphantly in the Vasquez-Saccio Treaty, emerged from my pen. It is also true that as president I began the demarcation of the maritime and underwater areas between Colombia and Ecuador, between Colombia and Panama in the Atlantic and the Pacific, between Colombia and Costa Rica in the Atlantic and with Santo Domingo and Haiti, thus dispelling any doubts as to our borders with those countries. Our borders with Venezuela, Honduras, Jamaica, the Caymans and Nicaragua, which is the toughest nut to crack, are still uncertain both in light of the Law of the Sea and because we have not yet reached a direct compromise. I made note of this in a recent speech in Armenia when I asserted that the national government was paying more attention to the problems between the Central American countries than to the demarcation of our maritime borders, which were still uncertain with some of those countries.

I do not think that I support the inviolability of government treaties any less zealously than Dr Ramirez Ocampo does. Perhaps, though, because I traveled less and read more while I was foreign minister, I can reiterate most forcefully and irrefutably that we have to negotiate the delimitation of our maritime and underwater areas with Nicaragua, as we have done with the countries that I mentioned above. Invoking the Barcenas-Esguerra Treaty on Colombia's ownership of the islands in the San Andres and Providencia Archipelago and Nicaragua's ownership of Mangle Grande and Mangle Chico, using the 82nd meridian as a reference point, is hardly an argument for not holding talks with Nicaragua on maritime areas and the continental shelf. It would be like regarding any dispute with Venezuela as a thing of the past, citing the treaty that our two countries signed while Dr Eduardo Santos was president. No. If our land borders with Venezuela have been irrevocably defined, it still remains to spell out our rights inside the so-called Gulf of Venezuela, just as we must clarify our rights in the Caribbean in the area between the San Andres Archipelago and the Nicaraguan coast. Ten years ago, Nicaragua granted oil leases to U.S. multinationals in this disputed area, forcing

Colombia to protest vigorously in a note that the current foreign minister might not be familiar with. Otherwise, we are accepting the Nicaraguan argument contained in the book by the internationalist Luis Pasos Arguello, according to which there is nothing to be demarcated between Colombia and Nicaragua.

On page 58 of his book "A Colonialist Enclave in Nicaragua," published by Union in 1978, the Nicaraguan writer says the following: "It is from this physical fact (that Colombia and Nicaragua do not share a land border) that the geographical inconsistency that is the subject of this book arises. There is no land border dispute; the entire territories of the republics of Costa Rica and Panama lie in between; and the border disputes with those nations have been settled with Colombia's consent. Yet Colombia has continued to claim rights to Nicaraguan territory, without the two countries sharing any land border, over an area that is extremely far from its own territory. Colombia has now taken another even more geographically inconsistent position, claiming that even though it does not border Nicaragua by land, they are border States by sea. A colossal absurdity. They are not neighboring States, not even by sea, and /thus no demarcation of maritime borders is in order"/ (my emphasis).

My modest opinion is that no Colombian, much less the republic's foreign minister, could concur with or unknowingly promote such an assertion, which runs counter to the policy of successive administrations. As Dr Ramirez Ocampo himself would say, this must be a mistake.

I had observed that there was never any mention of demarcating our maritime borders with Nicaragua (there are no other borders). But I never imagined that failure to do so was based on a belief like the one that I heard expressed in the foreign minister's words. I thought that the omission was due to the excessive attention being paid to Nicaragua's problems with its neighbors, never to the possibility that our Foreign Ministry was convinced that there was no dispute whatsoever. The text that I cited above is less radical than Nicaragua's traditional policy since the Somoza era of not recognizing the Barcenas-Esguerra Treaty. It acknowledges the treaty's validity, as the Managua government has not until now, but it denies that the San Andres Archipelago is entitled to its own shelf and exclusive economic zone, claiming that there are no disagreements because there is nothing to be discussed. This unfortunately concurs with what the Colombian foreign minister said in yesterday's edition of EL TIEMPO.

Availing myself of the right of petition, as enshrined in the National Constitution for all citizens, I very respectfully ask the president to convene the Foreign Relations Advisory Committee to determine once and for all whether we in fact have no borders to define with Nicaragua, as the foreign minister and the Nicaraguan Government are saying.

Thanks to God and to the efforts of the president, we have excellent relations with Managua's Foreign Ministry, and consequently this is a fine time to begin direct talks with Nicaragua. By reaffirming the validity of the Barcenas-Esguerra Treaty, such talks will enable us to delimit our maritime borders in a friendly manner, in keeping with the principles governing the international

community in these matters. I presume that, as is customary, the interview that I have been referring to must have been discussed with the president as to its language and content, inasmuch as it dealt with delicate issues involving our sovereignty. Even though the judgment of the Advisory Committee is not binding on the administration, inasmuch as the president alone makes foreign policy, I would feel more at ease and sleep better if some of its members shared my point of view, which is inspired by no less patriotic motives than those of the members of the administration.

Respectfully yours,

Alfonso Lopez Michelsen

Ramirez Ocampo's Response

Bogota EL TIEMPO in Spanish 19 Mar 86 p 3-A

[Text] Foreign Minister Augusto Ramirez Ocampo yesterday stated that his disagreement with former President Alfonso Lopez Michelsen concerned Colombia's sovereignty over the islands of San Andres and Providencia, adding that the former Liberal Party chief executive is now talking about a different issue.

This was the minister's reply to former President Lopez' letter to President Betancur, in which he expressed his surprise that Ramirez Ocampo and the Nicaraguan Government concurred that there was no need to demarcate the maritime borders between the two countries.

Lopez Michelsen was referring to Ramirez Ocampo's statements as published in EL TIEMPO and called for the Foreign Relations Advisory Committee to meet and voice an opinion on the matter.

The foreign minister said that he was very pleased that his interview in EL TIEMPO gave Lopez Michelsen the opportunity to spell out his views "with the meticulousness and seriousness that such issues demand," inasmuch as he had initially voiced them at an impromptu press conference in Armenia.

"At that conference," Ramirez Ocampo said, "he talked about sovereignty over the islands of San Andres and Providencia, and this is what I questioned in the interview, because the sovereignty issue was permanently settled in the 1928 Esguerra-Barcenas Treaty."

The foreign minister indicated that former President Lopez, "with his customary brilliance," is now discussing a different issue, the demarcation of maritime and underwater areas with Nicaragua, "which the government has of course been analyzing."

Landazabal Cites Nicaraguan Threat

Bogota EL TIEMPO in Spanish 20 Mar 86 p 8-A

[Interview with former Defense Minister retired Gen Fernando Landazabal Reyes by Roberto Pombo; date and place not given; first four paragraphs are introduction]

[Text] Retired Gen Fernando Landazabal Reyes, a former defense minister, has called on Foreign Minister Augusto Ramirez Ocampo to resign, asserting that "he seems more like the foreign minister of Nicaragua than of Colombia." Landazabal has also now suggested that the Colombian Government ought to halt Contadora activities until the Sandinist regime spells out its position on our country's sovereignty.

Landazabal decided to speak out on the issue in the wake of the foreign minister's statements on the demarcation of maritime and underwater borders and the response from former President Lopez Michelsen, who called for the Foreign Relations Advisory Committee to meet and take a stand on the matter.

The former defense minister is convinced that Nicaragua's aim is to strengthen its domestic revolution, arm itself under the pretext of the "contra" threat and then "launch a surprise attack against our islands, for which it will have the support of Cuba or Russia."

Landazabal Reyes' fears are based on the Nicaraguan constitution and laws, which not only state that San Andres and Providencia and the keys belong to Nicaragua but also oblige the government to disavow the treaties that contradict that position.

[Question] What do you think of the foreign minister's statements on the demarcation of maritime and underwater border areas with Nicaragua?

Landazabal: All Colombians ought to be worried about how relations are being handled at the moment with a country like Nicaragua, which has a social, political and economic system that is diametrically opposed to the Colombian people's concept of the State and of politics. Moreover, we know that Nicaragua has become, as President Reagan put it so well, a beachhead for the expansion of communism in Latin America. The most worrisome thing, however, is that "the law on the continental shelf and the adjacent waters," as set forth in Article 2 of Decree No 205, as published in the GACETA, Nicaragua's official gazette, gives the following geographic definition of the country's national sovereignty: "Nicaragua's sovereignty and jurisdiction over the waters adjacent to its coast extend to 200 maritime miles." And Article 3 says: "National sovereignty and jurisdiction over the continental shelf and the adjacent waters also encompass and extend to the air space and to all islands, keys, banks, reefs and other geographic accidents within the limits defined in preceding articles, whether they are above the surface of the water or submerged, as emerging from and attached to its continental shelf." But the most disturbing part for Colombian sovereignty is contained in Article 5 of the same decree, which reads: "All of the natural resources contained in these areas of sovereignty and jurisdiction are the patrimony of the

Nicaraguan nation (and I want to underscore what follows), regardless of whether Nicaragua does or does not occupy the previously defined zones." The following districts are regarded as part of the department of Zelaya: Bluefields, with a surface area of 9,244 square kilometers; El Rama, with 6,232 square kilometers; Muelle de los Bueyes, 1,380 square kilometers; Corn Island, 12 square kilometers; San Andres, Providencia and keys, 77 square kilometers.

[Question] That is an old definition.

Landazabal: It was published in the GACETA on Thursday 20 December 1979, which is identified as number 88. To delve more deeply, though, the Political Constitution of the Revolution, under the section "The Supremacy of the Constitution," says the following: "The present Political Constitution is the fundamental law of the republic, and all other laws are subordinate to it. The acts of government bodies, as well as any laws, decrees, regulations, provisions or treaties that implicitly or explicitly run counter to it or violate its provisions shall have no force whatsoever." Any intelligent person can thus see that the Nicaraguan constitution practically annuls the 1928 Esguerra-Barcenas Treaty.

[Question] But governments can make compromises.

Landazabal: The revolutionary government of Nicaragua has been reluctant to define its position on Colombia's sovereignty not only over the San Andres and Providencia Archipelago but also over our territorial waters in the area. If we bear this in mind, we must conclude that given its ambitions and given the importance of San Andres and Providencia to its own security, to its domination of the Caribbean and to its communications with Cuba, the Nicaraguan Government will continue, under the pretext of the contra presence on Nicaraguan soil, to arm itself even more inordinately than it has so far, not to defend itself against the contras but to spur on its people in the area of sovereignty, once the government of the revolution has been consolidated, to launch a surprise attack on our islands, for which it will have the support of Cuba or Russia.

[Question] What do you think of the Colombian Foreign Ministry's attitude in this regard?

Landazabal: No Colombian, much less the foreign minister, can be unaware of the strategic importance that our islands have taken on in view of the communist expansion on the continent. Trying to ignore or pretending to be unaware of this is turning one's back on the nation's major interests. Therefore, as a private citizen, I cannot understand how our government, through Contadora, continues to watch out for the survival of a revolutionary government that has set as one of its goals the takeover of an extremely important part of our sovereign territory. The consolidation of the Marxist revolution in Nicaragua represents an extremely serious threat to Colombia's sovereignty, and our government and our people cannot ignore such a threat.

[Question] Is this why you called for the foreign minister's resignation?

Landazabal: I feel that national sovereignty is indivisible and that in dealing with such important matters the Colombian foreign minister, whoever he may be, must not keep on defending the interests of governments that are inimical to our democracy and to our nation. This would be unethical and unpatriotic and would falsely suggest to public opinion that our very clear and legitimate claims to territorial possessions are unjust and invalid.

[Question] So what do you think ought to be done?

Landazabal: I think that the Colombian Government could at this point halt Contadora activities until Nicaragua spells out its position on our sovereign rights. Moreover, I think that we should undertake every diplomatic effort to solve the problem, so that the government and people of Nicaragua clearly establish that the archipelago of San Andres and Providencia, with the continental shelf and the territorial waters that it gives rise to, are part of the sovereign territory of the Colombian nation.

[Question] Do you agree with former President Lopez' criticisms of the foreign minister?

Landazabal: I agree completely. Dr Lopez sounded the alarm at the right time. As a man who has pursued and is familiar with diplomatic strategies, he sees Nicaragua's military buildup not as a simple defense of its internal political order but as a most serious threat to our territorial integrity.

[Question] That is the same criticism of Nicaragua that President Reagan has voiced.

Landazabal: I feel that instead of continuing to support the presence of the Sandinist government in Nicaragua through Contadora, Colombia ought to back the position of the United States, whose clear-cut and longstanding policy has been to defend our democratic system and to support the preservation of our sovereignty.

8743

CSO: 3348/485

COSTA RICA

ARIAS' BROTHER ON CAMPAIGN ROLE, UPCOMING RESPONSIBILITIES

San Jose RUMBO CENTROAMERICANO in Spanish 21-27 Feb 86 pp 7-9

[Excerpts] Rodrigo Arias Sanchez, the brother of the president elect of Costa Rica and the former director of his campaign, wants to transform his political successes into governmental achievements, whether it be in the legislative assembly or as a member of the cabinet of the future social democratic administration.

This young and able businessman involved in strategy is the "key man" in the transfer of authority, and the executory arm of the leader, Oscar Arias Sanchez.

Specifically, he was elected as a deputy by the faction of legislators in the National Liberation Party (PLN), and he will join the parliament next May to serve as the intermediary between these legislators and the incoming officeholder.

But he is also the interlocutor of the current minister of the presidency, Danilo Jimenez Veiga, with whom he is coordinating the future actions of the government with the current public administrative cadres.

In the vocabulary of Rodrigo Arias, the words "dialogue" and "consensus" stand out, and he rejects political ambitions. As director of the campaign which will keep the PLN in power for 4 more years, he believes that his real triumph was in the reunification of the party and its mobilization for the achievement of a common goal--making his brother Oscar president of the republic.

In May of 1985, Arias granted his first interview to RUMBO CENTROAMERICANO, and at that time he predicted his group would win at least 650,000 votes in the 1986 elections. In fact, the final tally showed a total of 620,314 votes for the PLN. His calculation was almost exactly right.

This is no modest triumph for this former alderman who is 40 years old. He was the founder of such institutions as the Union of Chambers, the Costa Rican Private Enterprise Institute (INCOSEP) and the National Stock Market. He has now been elected to the legislative assembly for the first time. In his opinion, the campaigns of the next government should be oriented toward pa

implementing the housing program, generating more jobs and reactivating the national economy, as well as combating corruption.

"My only concern at this time is my great awareness of the serious responsibility Oscar Arias has taken on as the president elect of Costa Rica. Our people consider him the best person to direct the destiny of this country for the next 4 years," he said.

Party Unity

Directing a political campaign means assuming full responsibility for this contest, in all its aspects, in the view of Rodrigo Arias Sanchez.

"This does not mean that without my participation, success might not have been won, but I am proud to have achieved the total integration and complete union of the PLN, something regarded as impossible at one given moment," he said.

This leader admits that his political group experienced some very difficult months in 1985, particularly after the national assembly session in June, when the candidates for the parliament were chosen.

"The party reached its lowest level in July and August," he emphasized. This was due to internal resentments and unsatisfied ambitions.

His first step in command of the campaign, then, was to "smooth the initially harsh differences and seek to achieve an internal balance, so as to allow us all to get the cart to its destination, with no one pulling in the other direction."

"It was my first task to appoint administrative cadres to carry out the day-to-day work, and then to provide for participation by all of the important political leaders, so that they could play a role within the campaign," he added, mentioning the incorporation of the secretary general, Rolando Araya Monge, former president Daniel Oduber, Alberto Fait and others.

"Daniel Oduber provided his total support in the last 5 months, working with me on the evaluation of political problems. We assigned him a schedule of specific visits. I entrusted Alberto Fait with election-day coordination, while Mario Carvajal was very active in the organization of the computer centers, which was a decisive factor," he stated.

Rodrigo Arias also participated in the discussion which defined the "campaign issues." His team also included political theorist Jorge Urbina, as press officer, and Fernando Zumbado, heading the candidate's staff.

"This was a unique experience. There is no such job description as 'campaign director'," he said, adding that he believes that this position should join together two basic things--administrative ability and political judgment.

Despite his enormous influence on the direction taken by the PLN, Rodrigo Arias is not an ambitious man. "I have no interest in a political career. In the post that I hold, my only responsibility now is to contribute to making

the next government a great one. Within 4 years I will return to my peaceful private activities, as before. I have no other interests."

The Future Cabinet

The former campaign director is one of those working with the president elect on making decisions. In his view, there should be no deadline for the official announcement of the future cabinet, so that the new president "can take all the time necessary to assess possibilities and to talk with the future officials."

Legislative Consensus

"Independent of the post I may hold, my main task in the future government will be to coordinate the legislative bench with the executive branch. Only thus can the projects be moved forward. A consensus is required in order to govern, and this coordination includes open dialogue with the other majority party, the Social Christian Unity Party (PUSC)," he said.

Whether as a member of the congress or minister of the presidency--although this is only speculation--his function will be mediation, just as it was when he headed the political campaign of his brother, Oscar Arias Sanchez.

"The minister of the presidency is the cabinet coordinator, and must serve as the focus for control and supervision, so that the other ministries can really implement the basic guidelines of a government program," he asserted.

The housing problem will, then, be one of the priorities for the future administration, and the Liberation Party leader believes that all of the political groups are aware of this and are prepared to pass legislation to resolve it.

Another of the important projects involves shortening the national political campaign. "The experience we have all had of a precampaign period of a year and another year of campaigning should not be repeated in Costa Rica again."

He expressed the view that this is "an exhausting effort. The time comes when political action by the government is almost paralyzed, as is the economy of the country, in large part. On the basis of this experience, we are promoting a draft law, which has already been submitted to the legislative assembly and has been approved by a majority, calling for a reduction of the political campaign period, and as a result the political debt, to 2 1/2 months." He said he was certain that the PUSC will agree on approval of this legislation.

Other Goals

The Liberation Party leader expressed the view that "the great campaign themes must be converted into the great themes of action for the next government."

He said that the implementation of the program for economic reactivation is basic. "Only through greater production and greater investment can the need for greater employment be met."

The Arias Sanchez administration is expected to undertake administrative decentralization, so that the important functions "will be carried out and can be taken over by the respective communities."

In this way, political decision-making will fall to the people. He said that those who are most knowledgeable about regional needs are those who live there, and "not a bureaucrat sitting in his office."

"We believe that only in an atmosphere of peace is it possible to achieve the economic reactivation of this country," he emphasized, and he defends the theme of peace as a basic policy of the newly elected government.

In addition, he urged a revision of the laws on corruption, "in order to analyze what measures can be proposed such as to ensure stricter control."

5157

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CUBA

MARCOS' REMOVAL SEEN AS RESULT OF U.S. INTERVENTION

Havana GRANMA WEEKLY REVIEW in English 9 Mar 86 p 10

[Article by Arnaldo Musa, GRANMA international staff]

[Text]

 THE STORY of Ferdinand Marcos' overthrow was written and then carried out by Washington. Its main author was Philip Habib. On February 23, one hour before Philip Habib left Manila, Defense Minister Juan Ponce Enrile and Lieutenant General Fidel Ramos, deputy commander of the armed forces, started a rebellion against President Marcos after saying that they had done some soul-searching and had concluded that Marcos was guilty of fraud in the elections. Prior to this, both men had been in touch with the U.S. embassy.

President Reagan's special envoy Habib is a seasoned expert in throwing up political smoke-screens to conceal outrageous interference in other countries' affairs. He was responsible for the latest landing of the Marines in Lebanon.

Ponce Enrile admitted that he met with Habib the day before the rebellion, while the United States views West Point graduate Ramos as the ideal man to reorganize the military and, according to EFE, "make it more effective in the struggle against the guerrillas" of the New People's Army.

Reagan sent Habib to Manila again on February 24 to "solve the political crisis" by dumping Marcos. Twenty-four hours later Marcos was aboard a U.S. plane on his way to the United States.

Events in Manila came at a time when businessmen, clergy, students, workers and radical organizations had joined together against Marcos with unprecedented and extraordinary speed. This makes Washington fear that the mass upsurge can go beyond certain conventional limits, such as a mere change of those in office, and jeopardize its political, economic and especially military interests in the Philippines. Thus, the United States decided to dump

Marcos, until now its vital ally, which was what the masses in the Philippines wanted.

And there's the rub.

The two biggest U.S. bases abroad are located in the Philippines: Clark and Subic. They are the weighty reason why the White House is trying to control any change at the summit of power which could in some way jeopardize those interests by leading to a greater nationalist and perhaps anti-imperialist upsurge.

A few days before the elections, Reagan had said that nothing was more important for the security of the United States, the Western world and the Filipinos themselves than the presence of those two bases.

Clark and Subic are basic elements in the Pentagon's network in the Pacific and Indian Oceans and all of Southeast Asia. They were rented to the United States until 1991 and their loss would be a heavy blow to Washington's anticommunist strategy.

Subic Bay naval base in the South China Sea, northwest of Manila, is the main operational and repair base for the U.S. 7th Fleet. Its logistic reserves are the most important of the U.S. armed forces. It has the largest naval supply station in the world, capable of storing 2.5 million barrels of oil and other lubricants. It has shipyards and dry docks and is linked to Clark Field by a 70-kilometer oil pipeline.

Clark Field air base has a 3200-meter runway which can accommodate the biggest U.S. planes, including the B-52 strategic bomber and its successor the B1-B. It is the headquarters of the 3rd Air Force Tactical Squadron with some 800 men. It also has F-4 Phantom fighter bombers and transport planes as well as major storage facilities for ammunition and fuel. It is the biggest satellite tracking base and communications center for the CIA and Pentagon

and the second largest U.S. base abroad.

With the Iranian precedent under its belt and in view of the unstable situation, the Pentagon set about looking around for places to move the bases if the need arose.

But apart from the cost of such a move (three to eight billion dollars), none of the other U.S. bases in the Pacific — Guam, Saipan, Tinian, Belau and Okinawa — offer the same advantages.

Subic Bay and Clark Field are simply irreplaceable, according to a recent statement by the Center for Strategic and International Studies at Georgetown University in the United States.

As can be seen, much stress is put on how the two enclaves "defend" the United States, although they are thousands of kilometers away.

Those aren't the only U.S. installations in the country, however. Others include the San Miguel naval communications station at the service of the 7th Fleet; Wallace air station, a communications center for the Philippines Air Defense System; and John Hay air station, a rest and recreation center for U.S. troops which also has a relay station for Voice of America broadcasts.

To all this we must add the fact that 160 major U.S. firms and banks have branch offices in the country. Safeguarding these military and economic interests is a top priority for Washington.

This explains why the United States is openly interfering in the country. It has keen interest in a return to stability and the development of a bourgeois democratic process, with some reforms and adequate financial controls, to eliminate the present situation of turmoil and

try to prevent a popular revolutionary upsurge.

A few months before the elections, a U.S. daily commented on a State Department report that contended that immediate U.S. objectives did not include the departure of Marcos or the destabilization of his government but rather the revitalization of democratic institutions, an end to Marcos' cronies monopolies, a return to nonpolitical professionalism in the armed forces and preparing a replacement within the current regime to prevent the revolutionary forces from taking power because of political and economic chaos.

The United States is worried about the increase, development and organization of guerrilla activity by the New People's Army in several provinces and the structure of its political arm, the National Democratic Front. It is therefore making great efforts to normalize the situation in this country with a foreign debt of 26 billion dollars.

For the last few years Washington has been in contact with and giving aid to the so-called legal opposition against Marcos, especially Benigno Aquino who was murdered in 1983 when he returned to Manila from temporary exile in the United States. Now his widow, Corazon Aquino, the opposition candidate, has been named head of state by General Ponce.

To protect its interests and given the worsening domestic political situation, the United States has sent the nuclear powered aircraft carrier Enterprise to Subic, escorted by two submarines and 11 warships, an unusually high concentration of ships and forces on the base.

A new stage opens in the history of the Philippines, an archipelago of 7017 islands and a population of 54 million.

/13104

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CUBA

SPORTS OFFICIAL'S COMMENTS ON OLYMPICS SHARPLY REBUKED

Havana GRANMA WEEKLY REVIEW in English 9 Mar 86 p 9

[Text] ● A LITTLE over a week ago, Mr. João Havelange, president of the Fédération internationale de football association (FIFA), held a press conference at the National Institute of Sports, Physical Education and Recreation (INDER) following his visit to our country, where he attended the opening and closing session of a course for trainers.

We recalled and wrote down that in response to questions from Comrade Mastrascusa, who asked his opinion about the division of the 1988 Olympics between the two Koreas, he said that the question should be put to Samaranch (head of the International Olympic Committee) and not to him. But his view was that if an agreement was reached he would gladly accept it — in terms of soccer — because he wants to avoid trouble.

Havelange continued his Caribbean tour and, according to news agencies, when he was in the Dominican Republic he said "the only two paths" opened to Cuba in the world Olympic movement were to accept its decisions or get out.

According to AFP, "Havelange was referring to comments by Cuban President Fidel Castro that the international Olympic movement 'is headed by mafiosi'.... Since Cuba is an IOC member the only two paths open to Fidel are those previously mentioned."

It would seem that this time Havelange forgot that Samaranch is the IOC president and not he, answering out of turn. But there are more important things to point out and we will do so.

In 1966 the U.S. government ordered its colonial puppets in Puerto Rico to prevent the

Cuban delegation to the Central American and Caribbean Games in San Juan from entering the country. Cuba sent a large and determined contingent on the merchant ship *Cerro Pelado* and after waiting offshore they were able to compete and win.

When Mr. Vázquez Raña betrayed Latin America and deprived Cuba of the right to host the 1987 Pan American Games, giving them to Indianapolis, Indiana, at a price of 25 million dollars, Fidel denounced the cowardly deed. In a letter to Samaranch, our president indeed pointed out the corruption and commercialism prevailing in the Olympic movement. He also expressed Cuba's firm support for the idea of holding the 1988 Games in both halves of Korea because the south is governed by a criminal dictatorship and filled with U.S. military bases.

How, then, can Havelange say that "the only two paths" which Fidel and Cuba have are to obey what the IOC orders or get out? We will be there, as we are at the UN, to denounce wrongdoing, no matter who is responsible for it, now that it has reached outrageous levels.

Havelange, who is such a good speaker, could have said here what he said in the Dominican Republic. He had plenty of opportunities with the questions asked at the press conference.

We simply remind him of one thing: Cuba neither sells out, nor yields.

Nor does it remain silent.

Nor can it be silenced by presidents be they Reagan or Havelange.

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DOMINICAN REPUBLIC

CENTRAL BANK REPORTS ON 1985 AID, LOANS RECEIVED

Santo Domingo LISTIN DIARIO in Spanish 7 Mar 86 p 1D

[Article by Jose Romero]

[Text] Foreign aid in various forms, whether as credit, donations, advances, or postponed payments, had a strong impact on the Central Bank's records last year. Without this aid, it would have been practically impossible for the bank to end the year with "manageable" deficits.

The bank's annual statement-report reveals various signs of this invaluable international cooperation. Most of it came from the United States, directly from the president of that country or from specialized agencies, specifically the Agency for International Development (AID).

The cooperation of other friendly governments, as well as that of multilateral financial institutions, was also strongly felt. Mexico and Venezuela figured prominently among those governments.

One of the most positive aspects of the fiscal year was the creation and implementation of the Foreign Debt Department, which had not existed before. Its purpose is to follow up on foreign credits, oppose certain debts that it does not deem appropriate, and maintain good relations with financial institutions.

Several countries agreed to allow the continuation of agreements to facilitate the postponement of payments through central banks, and the continuation of commercial arrangements that had expired. The same is true of energy and science and technology cooperation agreements approved by Jamaica, Brazil and Colombia.

Another important phase of the international cooperation we received was when our principal creditors, the governments of countries such as the United States, Japan, Germany, Spain and Italy, gave their approval for the Club of Paris to renegotiate nearly \$300 million in debts. In addition, international organizations such as the International Monetary Fund (IMF) and the World Bank issued a favorable opinion which led the international commercial banks to restructure \$797 million in foreign loans that had fallen due. Now the terms have been extended to 1989.

The Inter-American Development Bank (IADB) maintained close ties with us through local representation in various loans and technical cooperation operations with the Technical Secretariat of the President's Office, the National Planning Office, and each of the national agencies in charge of carrying out the projects financed with funds from that bank.

In this regard, it indicated that it did not oppose a number of requests for technical cooperation and small projects which were approved throughout the year. These projects included technical cooperation for Women Applied to Industry (MAI) and the Pro-Development Association of Santiago (ADEMI) [as published], and the financing programs for Small Projects for the Micro-business Association (ADEMI), Women Applied and the Pro-Development Association of Santiago.

The IADB also approved new loans: \$150 million for Manabao-Bejucal-Tavera, \$28 million for the Haina Breakwater, \$72.5 million for the Comprehensive Program for Agroindustrial Credit, and \$55 million for the Second Stage of the Industrial Reactivation Program.

World Bank

The World Bank approved two loans for the country during the year, and sent a number of missions, such as the Export Promotion Projects Mission, the Agriculture Sector Study Mission, the Nizao Irrigation Project Supervisory Mission, the Agriculture Sector Analysis Mission, the Export Promotion Mission, the Pre-Assessment Mission for the Santo Domingo Electrical Expansion Networks Projects and the Las Placetas Hydroelectric Orientation Mission, the mission to supervise the Lot and Services Projects in Haina and Sabana Perdida, and the North Coast Project Mission.

AID

The Agency for International Development played a particularly important role with regard to the due dates for loan payments in 1985, and the coordination of the additional programs that had received financing.

It gave five donations to the country: two for \$95 million as economic support for the adjustment program signed with the International Monetary Fund; one \$2.5 million donation for the promotion of agroindustrial projects; another for \$6 million for the promotion of exports and foreign investment; and a fifth one of \$430,000 for a program to supply water in rural areas. The latter program will be carried out by CARE Dominicana.

Under Agreement PL-480, it approved \$38 million to finance part of the country's basic foodstuff imports on easy terms.

It also approved an agroindustrial loan of \$17.3 million for the Investment Fund for Economic Development (FIDE).

Venezuela

During the year the 6th Economic Cooperation Agreement was signed with the Venezuelan Investment Fund (FIV). Under that pact, the FIV will finance 20 percent of the value of our oil bill, up to an average daily volume of 14,000 barrels, for a 1-year renewable term.

The Dominican pesos generated by that agreement have been earmarked for financing development projects in accordance with the priorities established by the Technical Secretariat of the President's Office. The first project approved by the FIV under this agreement is the La Joya Project, for 50.6 million bolivares and \$14.94 million. The agreement as a whole encompasses 96.8 million bolivares.

The Venezuelan fund also approved the following loans: \$16.5 million for asphalt cement, to be provided to the city government of the National District and Public Works; \$2 million for the second stage of the Alto Yaque del Norte Project, to be disbursed to the National Institute of Water Resources (INDRHI); \$3.5 million for small hydroelectric projects on the Alta Yaque Bao, to be paid to the Dominican Electricity Corporation (CDE); \$24 million to the National Office for Land Transportation for the purchase of buses; and \$21.9 million to the Santo Domingo Aqueduct and Sewerage Corporation (CAASD) for the Santo Domingo La Joya Aqueduct Project.

Mexico

The Financial Agreement with the Mexican Government was also signed for the use of the San Jose Agreement funds. This included a credit of \$36.8 million, of which \$16.8 million was earmarked for paying off the debt to the ICANTROBAS consortium, and the remaining \$20 million for financing the Yaque del Norte project that INDRHI is executing.

The financing granted under the Agreement on Credit Facilities with the Mexican Government represented the purchase of petroleum valued at \$124.6 million, of which 80 percent (\$99.7 million) was paid in cash, and the remaining 20 percent (\$24.9 million) was financed. The amortization of \$24.1 million in Matured Certificates of Deposit had to be deducted from that financing.

The aid received was used for a variety of efforts aimed at facilitating the improved development and execution of the loans and programs that are financed through reciprocal credit pacts and financial and economic agreements with various friendly countries.

These agreements include one with Nationalist China to finance agricultural equipment for planting rice (through the Agriculture Secretariat), and one with Argentina to extend by \$10 million the line of credit for importing goods.

8926

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DOMINICAN REPUBLIC

FRG GRANTS DEVELOPMENT LOAN TO CDE, CEA

Santo Domingo LISTIN DIARIO in Spanish 7 Mar 86 pp 1, 14

[Article by Tulio Navarrete]

[Text] The Dominican Republic and the Federal Republic of Germany yesterday signed a contract for a loan of 25 million Deutsche marks (about \$12 million) to finance development projects undertaken by the Dominican Electricity Corporation (CDE) and the State Sugar Council (CEA).

Of that amount, 10 million marks will be used for energy projects, and the rest for the agricultural portion that is being developed by the CEA.

The loan was granted by the FRG Reconstruction Credit Institute.

One paragraph of the contract states that if FRG should give the Dominican Government at some subsequent date the opportunity to obtain from the Credit Institute "new loans or financial contributions for preparation, or financial contributions for necessary flanking measures designed to carry out and maintain the aforementioned projects, the present contract shall be applied."

The pact was signed at noon yesterday by Foreign Minister Jose Augusto Vega Imbert on behalf of the Dominican Government, and Ambassador Ulrich Schoning on behalf of the German Government.

CEA Director Victor Manuel Baez and CDE Administrator Marcelo Jorge were also present.

Vega Imbert and Schoning gave speeches at the ceremony, expressing their satisfaction with the scope of the loan. They also confirmed the ties of friendship that bind the Dominican and German peoples.

Article 2 of the contract states that "the use of the aforementioned sums--25 million marks--as well as the conditions for granting them and the procedure for adjudicating commissions, shall be set forth in the contracts to be signed between Kredit Anstalt fur Wiederaufbau and the recipient, under the current legal provisions of the Federal Republic of Germany."

It also stipulates that the projects mentioned in the contract--energy development and development areas under the CEA--may be replaced by others if the government of the Dominican Republic and that of the Federal Republic of Germany so agree.

In addition, the financial contributions for flanking and preparation measures, as specified in the contract, "shall become loans if they are not used for such measures."

Vega Imbert

Foreign Minister Vega Imbert said that it is well known that the country has made an effort to bring its economy back to health through an adjustment program and by fulfilling its "external obligations, in the interests of reorienting them toward goals involving the growth of national productive capacity."

Ambassador

Ambassador Schoning stated that the two programs indicated in the loan contract have been defined by common agreement between the two governments, on the basis of a change clause that is specified.

8926

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DOMINICAN REPUBLIC

SPAIN TO BUY 90 PERCENT OF TOBACCO PRODUCTION

Santo Domingo LISTIN DIARIO in Spanish 10 Mar 86 p 1

[Article by Maximo Manuel Perez]

[Text] The Dominican Republic has reached an agreement with Spain whereby it will export to that European country more than 90 percent of its tobacco production this year.

Reliable sources also report that an understanding was reached on the price to be paid for the product, which was cut by 20 percent in the middle of last year.

The source indicated that negotiations are underway to export the remainder of the crop to the United States.

It was explained that last year the country exported more than 35,000 kilos of light tobacco, and this year 40,000 to 45,000 kilos of the product is expected to be sold.

"Export mechanisms similar to those applied on other occasions have been set up, so that sales can be carried out as effectively as possible," stated the source.

This means, according to reports, that a marketing channel made up of 12 export firms and two native factories has been established. These, in turn, have a network of dealers who handle various communities or nuclei of producers.

It was noted that the tobacco sector directly employs some 50,000 people in the country, and is responsible for some 350,000 jobs indirectly.

According to this source, President Salvador Jorge Blanco, through the National Agriculture Council, issued several measures designed to guarantee the success of the current tobacco crop.

The source also explained that it is possible that the income from Spain's tobacco purchases will total some \$40 million.

Spain has always been the principal buyer of Dominican tobacco, and although last year it cut prices by more than 20 percent, sales held firm through the end of the year. They will pick up again in the coming months, when the harvest is completed.

The agricultural agency has been discussing the matter of tobacco, and in conjunction with that it has also analyzed the profit margin exporters could receive. It depends primarily on their income from sales and on the price they pay the harvesters.

The source recalled that since the income from sales is determined principally by the export price, which exporters cannot negotiate, they derive their profit margins from the price they pay to the harvester.

The effects of the tobacco marketing crisis, which began in mid-1985, caused the country to lose more than \$20 million, it was reported, while various measures had to be taken to guarantee the predicted production.

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ECUADOR

BRIEFS

DIRECT FOREIGN INVESTMENTS DECREE--Quito, 2 Apr (REUTER)--It has been officially announced that direct foreign investments in private companies that edit newspapers and magazines, in commercial radio and television stations, or in advertizing agencies to be created in the future, is prohibited. A decree issued by President Leon Febres Cordero made known this evening by Government House establishes that foreigners who directly or indirectly participate in the ownership of communications media have 4 months to transfer their shares or partnership to Ecuadoran persons or enterprises. The decree explains the measure noting that it is convenient "to establish clearly the sectors in which foreign investments will not be allowed" and authorizes the directors of the companies to see that the decree is complied with. The decree notes that foreign investors who currently participate in the ownership of advertizing agencies can participate in future capital increases planned by a particular agency as long as the foreign investment percentage does not increase. [Text] [Buenos Aires REUTER in Spanish 0209 GMT 3 Apr 86] /9599

OIL PRICE DROP EFFECT--Quito, 2 Apr (AFP)--According to official sources, the drop in the oil prices on the international market is severely affecting the Ecuadoran economy which depended on the crude to cover almost 70 percent of its export revenues. Ecuadoran oil dropped to \$9.60 per barrel, its lowest level since it began exporting early in the last decade. To sell 170,000 barrels of oil per day, in long-term contracts, Ecuador uses the Alaska north slope as a reference but it charges \$1.34 less per barrel for freight and transportation. According to Energy and Mines Minister Javier Espinosa, at the current price the country will not earn \$900 million. This is the reason for its financial difficulties and necessitates a change in budget plans because the national budget for this year was based on the revenues obtained from the sale of oil at \$24 per barrel. [Excerpt] [Paris AFP in Spanish 0350 GMT 3 Apr 86] /9599

CSO: 3348/484

GRENADA

POINT SALINES AIRPORT NOW 80 PERCENT COMPLETED

St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 3

[Text]

The Point Salines International Airport is now "eighty percent operational" following the commissioning of the new arrival lounge.

"There are a few infrastructural adjustments, additional buildings and renovations that have to be made that will make it fully operational," P.S.I.A's Manager, David Lander has said. This, he said, will take about a year.

Mr Lander says, the airport has to provide warehousing facilities for those who want to store goods overnight, and a "fuel farm" to service aircrafts.

"Funding for the programmes have already been approved, and it's just a matter of time really," the P.S.I.A. told journalists here.

By the time the airport is fully operational, they will take on an additional 50 workers.

Meantime, Mr. Lander has reported that they are creating an area for public parking. Users of the park, he said, will have to pay a fee.

He has also appealed to the taxi-men at the airport to understand the workings of an international airport and do not try to "whisk away" visitors as soon as they emerge from the arrival lounge "before they have a time to breathe".

The Point Salines International Airport was begun by the Leftist People's Revolutionary Government

with Cuban-aid, but following the U.S intervention in 1983 during which Cuban workers were expelled, mainly American and Canadian donors stepped in.

The airport was opened on October 28, 1984, by Sir Paul Scoon, with the terminal building partially completed. A temporary wooden structure, that once housed Cuban workers, was used as an arrival

lounge.

With the commissioning of the new arrival lounge, the wooden structure has been broken down.

The plaque that was put up in the departure section by the Governor General at the airport's opening has been moved to the new arrival area. "It has not been taken and hidden away as one of the local press reported," Mr. Lander said

/9317
CSO: 3298/390

GRENADA

BANK REPORT CHARTS ECONOMY FOR THREE QUARTERS OF 1985

Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 14

[Text]

ST. GEORGE'S, Mar. 27, Cana — GRENADA's balance of trade deficit for the first nine months of 1985 widened by \$24 million (33 per cent) to \$96 million and amounted to double the value of total exports, according to the Eastern Caribbean Central Bank (ECCB).

The Bank in its latest report said the increase in the trade deficit was mainly the result of a sharp rise in imports of \$29 million (27 per cent) which was much larger than the increase in exports of six million dollars (15 per cent) during the period.

The ECCB report said the Grenadian economy showed signs of considerable recovery after the downturn of \$1.6 million in 1983 and the very slight increase in total output in 1984.

It said there was an even more substantial increase in activity in the foreign trade sectors, particularly the two main foreign exchange earners of agriculture and tourism.

Cocoa Production Up

Merchandise exports, inclusive of clothing, increased in volume by almost 20 per cent. This substantial increase was achieved, in part, by higher production of cocoa and of fresh fruits in the agricultural sector and of garments in the manufacturing sector.

In even greater measure, however, the volume expansion in exports was the result of a substantial draw-down of nutmeg stocks and a smaller de-

crease in stocks of mace, the Bank said.

The Bank said that of the three traditional cash crops grown, only cocoa showed an increased level of production during the first nine months of the year, rising by 135 tonnes or 8.7 per cent to 1,699 tonnes over the same period in 1984.

Cocoa production was enhanced mainly by improvement in extension services and by the sustained prices which the Grenada Cocoa Association (GCA) has maintained by drawing down on its financial resources. The unit value of cocoa exported increased by 1.5 per cent to \$6,026 a tonne.

Decline In Bananas

Exports of the most important cash crop reached \$11.6 million or 12 per cent higher than a year before.

Production of Bananas, nutmeg and mace declined during the nine-month period by 5.2 per cent, 30.5 per cent and 28.4 per cent respectively.

Banana production continued its downward trend of recent years as output declined from 6,632 tonnes to 6,285 tonnes.

The volume of bananas exported declined correspondingly to 6,013 tonnes through there was a sharp increase in the unit value of bananas shipped to the United Kingdom of \$133 or 14 per cent to \$1,065 a tonne.

This reflected the more favourable exchange rate conditions prevailing after February when the US dollar began to appreciate.

Nutmeg production declined by 752

tonnes or 31 per cent to 1,718 tonnes largely because improved prices offered in 1984 had led to the response of larger collection in 1984.

The Bank said these improvements were not possible to the same extent in 1985, as collections fell even though prices increased by about 25 per cent.

However, the volume of nutmegs exported (mainly to West Germany, Belgium and Holland) increased by 426 tonnes enabling the Grenada Co-operative Nutmeg Association (GCNA) to reduce its accumulated stocks.

The export of fresh fruits which the Bank said continued to grow in importance increased by nearly 25 per cent to \$11.4 million during the period under review.

Tourism Flourishing

The tourism industry continued to show signs of a recovery after the downturn in 1984 as total visitor arrivals to the island more than doubled to 103,663 during the period under review.

The upturn was marked by the number of cruise ship passengers which slightly more than quadrupled from 15,811 to 65,147.

Actual ship calls were up from 25 to 126.

Gross revenue during the first nine months of 1985 is estimated to have increased by about \$15 million from \$32 million earned in the first nine months of 1984, and will thus have contributed substantially to the gap on the current account of the balance of payments, the Bank said.

/9317

CSO: 3298/390

18 April 1986

GRENADA

BRIEFS

VENEZUELAN FISHING AID--The Venezuelan Investment Fund will be providing capital assistance to the fishing industry in Grenada. This will be used to finance central storage and processing facilities for fish. Mr Raymond Steele, Manager of the Artisanal Fisheries Project who visited Venezuela last month where he also sought sources from which cheap fishing equipment can be imported, made the disclosure here. He said he also got an "experienced master fisherman" who would be coming to Grenada to work with fishing co-operatives. This "master" fisherman will stay in Grenada for one year, with expenses being paid by the government of Grenada. Two cooperatives have been formed recently at Victoria and Sauteurs, while another at Grenville has been revived. The fishing cooperatives will provide its members with cheaper fishing equipment and gas for their boats as well as proper storage facilities for fish. [Text] [St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 17] /9317

JAMAICAN MEDIA ADVISER--Jamaican Ken Chaplin has been appointed as an advisor on the media to the New National Party Government of Herbert Blaize. Mr Chaplin, who began working with the service this month was one of the chief media coordinators for the visit of U.S. President Ronald Reagan last week. Mr Chaplin reports to Mrs Margaret Dowe, Permanent Secretary in the Ministry of Information. The Blaize administration has agreed "in principle" to create "one information service," so that Radio Grenada, the Government Information Service and government publications will come under one body, a government source has said. The source told the GRENADIAN VOICE that Chaplin's appointment is in keeping with this policy. [Text] [St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 2] /9317

JOBS FORECAST--Four thousand people in Grenada will find work within the next four years according to the Ministry of Finance. The statement went on to say, however, that public sector employment is likely to decline in the period but will be offset by increases in hotel and other services. In a published document called "Planning the Horizon 1986 to 1991," the Finance Ministry says "infrastructural development, hotels, residential and non-residential construction are expected to create well over 50 percent of the new employment." The statement says "funds will be forthcoming for the construction of major segments of the road system, the addition of generators to boost the capacity of the electricity system, and the digitalisation of the telephone system." The Ministry of Finance, in its state-

ment released last week, says it will implement a "development strategy" to achieve a real annual growth of three and a half percent over the next four years. It further stated: "To achieve the goals agriculture will have to be revitalised and diversified, tourism will have to expand and manufacturing will have to be stimulated as well as exports diversified." [Text] [St Georges THE GRENADIAN VOICE in English 1 Mar 86 p 3] /9317

CSO: 3298/390

GUATEMALA

VILLARGAN ON DEPUTY MINISTERS, CONTADORA MEETING

Guatemala City PRENSA LIBRE in Spanish 15 Feb 86 p 5

[Text] "The meeting of the deputy foreign ministers of Central America with the Contadora Group in Panama last week was not a failure, inasmuch as progress was made in peace efforts," the deputy minister of foreign relations, Francisco Villagran de Leon, said here.

The Guatemalan deputy minister attended the meeting with his Central American counterparts and the Contadora Group in Panama. The world press described the meeting as "a failure." Deputy Foreign Minister Villagran does not feel that it was, however, because it elaborated on the Caraballeda declaration, which provided that Contadora would continue its efforts for peace in the isthmus.

"One of the most important developments was the official confirmation that Costa Rica and Nicaragua were resuming diplomatic relations, which had been broken off in the wake of border incidents."

Villagran indicated that the points in the Contadora document were not discussed, but they surely would be at future meetings.

8743

CSO: 3248/309

GUATEMALA

DEFENSE MINISTER ON ARMS SALE, ARMY PURGE

Guatemala City EL DIARIO DE CENTRO AMERICA in Spanish 18 Feb 86 p 1

[Text] National Defense Minister Gen Jaime Hernandez Mendez said today that Guatemala has not sold munitions to any country, inasmuch as the army's factory has a limited capacity.

The minister denied that any such sale has been made, inasmuch as production is limited to meeting the Guatemalan Army's needs. Nothing has been sold to any country, he asserted.

In answer to questions from newsmen about possible talks between President Cerezo and the subversives, he said that as the president announced, he would look into the possibility this year. "We will discuss the matter with him. If he feels it is a good idea, we will support him," he indicated.

With regard to a purge of suspected bad elements in the ranks of the military, as happened in the National Police, the minister said that there would be none. "We are a disciplined institution, and when someone commits a misdemeanor or a felony, the official procedure is to bring him before a military court for trial," he added.

The general also answered reporters' questions about the case of former Lt Col Edgar D'jalma Dominguez Lopez, who was discharged from the army and is applying for reinstatement. He stated that Dominguez is entitled to submit the appropriate petition, which will be considered by the legal advisory office of the Defense Ministry. "Pursuant to the advisory office's report and in accordance with the law, we will decide whether he can rejoin the army or not," the minister said in conclusion.

8743

CSO: 3248/311

GUATEMALA

DEPARTMENTAL GOVERNORS REPLACE MILITARY RULERS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 25 Feb 86 pp 1, 6

[Text] Yesterday afternoon, the president of the republic, Vinicio Cerezo Arevalo, swore in the 22 departmental governors, during a special ceremony which took place in the National Palace reception hall.

Officiating at the ceremony, in addition to President Cerezo Arevalo, was the vice president of the republic, Roberto Carpio Nicolle, as well as the minister of interior, Juan Jose Rodil Peralta.

The chief executive told the governors that their appointments had been made through a long process, very carefully, and after several analyses; because they would be responsible for tasks of particular importance to their respective communities.

He noted that one of these tasks is to represent the president of the republic in the departmental development council, because they will be responsible for coordinating efforts to solve the main problems confronting each department.

He added that, with the law in their hands, they would carry out the critical task to which they were appointed, namely, arriving at agreement and expending efforts for the benefit of the Guatemalan community.

The departmental governors begin their work today, after having been sworn in; and they will abide by the stipulations contained in Decree-Law 111-84 (with an amendment specified in Decree 12-86 of the Congress of the Republic) with regard to the inter-institutional coordinating boards.

But that will be temporary, while the legal provision is issued that will govern the development of the Regional Council for Urban and Rural Development and the departmental councils, as members of the National Council for Urban and Rural Development to be coordinated by the president of the republic.

The Congress issued the aforementioned decree precisely for this purpose, thereby replacing the military who occupied the top leadership within the inter-institutional coordinating boards. Now, the instructions will no longer be the responsibility of the chief of staff of defense, the director of civilian affairs of the defense staff, nor the commanders of military zones; but rather

of the president of the republic, the vice president, and the ministers of state.

As coordinator, the president of the republic may be replaced by the vice president and the ministers by the vice ministers.

As for the departmental inter-institutional coordinating boards, they will be comprised of the departmental governor, as chairman; the mayors of the departments, the commander of the jurisdictional military zone, or the officer on whom that function is incumbent; as well as the officials of the department who hold regional or departmental leadership posts in the public sector agencies of each department.

Also serving on the departmental inter-institutional coordinating boards, according to the congressional decree, is a technical official from the General Secretariat of the National Council for Economic Planning, in the capacity of an adviser.

The departmental governors will have to perform their work temporarily within that entire organization, based on the instructions that they receive from the president or the vice president of the republic, so as to create the conditions that will allow for the development of all the towns in the interior section of the country, both in the urban and the rural areas.

Hence, there is a new concept of a "departmental governor," a new working mentality, whereby this official will no longer be an ornamental figure but, rather, a fundamental part of the towns' development and progress.

The departmental governor will be the pivot around which the entire government policy for decentralizing public administration will revolve; and therefore the most suitable persons, fully cognizant of the philosophy that inspires the president of the republic, have been sought.

Within a short time, the first results of the action taken by the departmental governors will have to appear. They will have the backing of the mayors of all the municipalities in the republic, of the government agencies and, primarily, of the Ministry of Development, to work in conjunction with the entities of the private sector, all with a single goal: the enhancement and development of the towns in the economic, social, and cultural areas.

It will have to be an intense endeavor for the departmental governors, wherein they will start up the policy of reaching agreement led by Marco Vinicio Cerezo Arevalo, constitutional president of the republic; so that all sectors of the citizenry, without discrimination of any kind, will become driving forces for national development, because the effort to cope with the economic crisis besetting the country is incumbent on all Guatemalans alike.

2909

CSO: 3248/282

18 April 1986

GUATEMALA

INTERIOR MINISTER DENIES PLAN TO MILITARIZE POLICE FORCE

Guatemala City EL GRAFICO in Spanish 27 Feb 86 p 5

[Text] Guatemala City, 27 Feb--The National Defense Ministry has no intention of placing the civilian police force under its control, Juan Jose Rodil, the minister of the interior, asserted today during a visit to Congress.

The minister met with the Congressional Human Rights Committee to discuss this issue as it pertains to security forces.

Rodil Peralta said that the Interior Ministry's first task has been to regain control over police forces, inasmuch as any official from any other branch used to try to meddle in police matters. "The Finance Police must come under the authority of the interior minister," he added.

The lawmakers brought up community relations problems that are caused at times by the lack of training of law enforcement officers, by abuses of authority or by poor law enforcement.

Amending the Penal Procedure Code was mentioned as a good idea during the meeting.

To Travel to Caracas

Minister Rodil let it be known that sometime over the next few days he would be traveling to Caracas, Venezuela to present the Venezuelan Government with specific requirements for the assistance that President Lusinchi has offered in implementing the police and prison reform.

On this same issue, Rodil reported that a National Commission on Police Reform would be set up, adding that this was part of the effort to consolidate our democracy in the areas of security and respect for human rights.

8743

CSO: 3248/312

GUATEMALA

CABRERA DENIES RIFT IN CHRISTIAN DEMOCRAT BLOC; VIEWS BELIZE

Guatemala City PRENSA LIBRE in Spanish 15 Feb 86 p 7

[Text] "It is not true that there is a rift in the Christian Democrat (DC) legislative bloc; it is simply that four congressmen who backed our party's program are acting independently. There is no reason for them to observe party discipline," Congressman Alfonso Cabrera, the president of the Congress, stated yesterday.

The lawmakers in question are Carlos Gonzalez Quezada and Ana Maria Gonzalez Saenz from the Authentic Renewal Group, and German Scheel Montes and Edmundo Cancinos from the Authentic National Front. "These were support groups and they are going to go their own way because they want to form their own parties. We have given them the opportunity to stay."

"We respect their autonomy, but we are not going to break with them. They do not share the DC ideology but they supported us because they felt that our program was more viable. They will have ongoing contacts with me to discuss legislative matters. We will have their support, but there is no reason for them to observe party discipline."

No Quorum

"There is no reason to accuse the DC bloc of depriving Congress of a quorum. This is a parliamentary tactic. In any Congress, when there is no consensus on a matter or no agreement, the tactic is to deprive the session of a quorum."

"When we visit other congresses, I want to take some newsmen along so that they can see that it is customary to deprive a session of a quorum."

"It was done here because we saw that one congressman insisted on having a law repealed. We had already set up a committee to look into the matter, and we approved a decree loosening up imports."

"When we saw that this congressman was being obstinate in a bid for publicity, we deprived the session of a quorum. Furthermore, all of the blocs are represented among the officers of Congress, because we want to give them all a voice in the matters that we discuss."

Talks With the Guerrillas

"It is a misinterpretation to say that President Cerezo is going to talk with the guerrillas," he said at another point.

"We are creating a government of laws in which the three branches are completely independent of each other, and we are not going to do anything illegal.

"It was an extraordinary event for the heads of the three branches to attend the swearing in of the Court of Appeals justices at the Supreme Court yesterday. They gave a wonderful example."

Belize

As to whether Belize will be allowed to join the Central American Parliament, Congressman Cabrera said that the Belize problem has to be settled first.

"It is the responsibility of the president of the republic to seek an honorable settlement for Guatemala. When one has been reached, it will be submitted for the citizenry's consideration.

"If the people decide not to accept the independence of Belize, so be it. President Cerezo will decide, and the people will voice their opinion."

8743

CSO: 3248/309

GUATEMALA

DEPUTY ECONOMY MINISTER ON SALVADORAN TRADE, COMMON MARKET

Guatemala City EL DIARIO DE CENTRO AMERICA in Spanish 18 Feb 86 p 1

[Text] The countries of Central America are determined to revive the economic integration process, and therefore measures that hurt us should not be taken, stated Eduardo Adolfo Estrada Galvez, the deputy minister of the economy in charge of integration.

He was referring to an alleged move by Salvadoran authorities to halt trade with Guatemala, asserting that there is no official information on this.

He said further on that our countries must join forces to pursue development policies and form a common front vis-a-vis the industrial powers.

He added that if the rumors were to be confirmed, a committee could be sent to El Salvador next week to talk with the authorities there in a bid to find ways of immediately resuming trade.

In addition, he stated that the government was unaware that vegetable exports to El Salvador had been halted. There is speculation that Guatemalan exporters might have taken such a step as a reprisal.

He added, however, that exporters are at complete liberty to ship their products out or not.

8743

CSO: 3248/314

GUATEMALA

FOREIGN GOVERNMENTS EXTEND \$273 MILLION IN CREDIT

Guatemala City PRENSA LIBRE in Spanish 17 Feb 86 p 19

[Text] The governments of several friendly countries have offered Guatemala \$273 million in loans to reactivate the country's economy, the Secretariat of Public Relations of the Presidency has reported.

One of the loans, which will reportedly carry favorable terms, is from a private American consortium, which has offered \$200 million for the construction of low-cost housing.

Under its proposal, the consortium will reportedly charge an interest rate one percent lower than on any other loan that President Cerezo's administration negotiates.

In addition to a low interest rate, they are offering a 1-year grace period and a long payback term, and the government is thus looking into the offer, the official report adds.

The government of Argentine President Raul Alfonsin has given Guatemala a \$30 million loan. It can be used for projects that our country deems urgent.

Our hospital system will also benefit from the loans. The Japanese Government will authorize an outlay of \$3 million for outfitting hospitals all over our country.

The Spanish Government has offered Guatemala \$10 million for the purchase of medicine. This is a so-called soft loan.

As far as farming is concerned, Spain's Banco del Agro has offered \$30 million in revolving credit. The bank has specified that the proceeds should be used preferably in agriculture.

Peruvian President Alan Garcia has offered our country a small-farming project for the high plateau. The offer is being studied to ascertain which areas in the western part of the country need such a project the most.

8743

CSO: 3248/316

GUATEMALA

RULE 3 CALLED 'UNFAIR', REPEAL REQUESTED

Guatemala City EL GRAFICO in Spanish 24 Feb 86 p 35

[Text] Decree-Law No 149-85 provides for an increased tax on imports equivalent to the difference between the quetzal and the U.S. dollar. For example, if an import costs \$100, the taxes are calculated on the basis of \$100 multiplied by the value of the dollar. In other words, if the dollar stands at 2.9 quetzales when the taxes are paid at customs, the tax will be paid on 290 quetzales, not on the 100 quetzales that the item is worth. If the dollar were worth 4 quetzales, the taxes would be calculated on the basis of 400 quetzales.

Logically, this decree makes consumer goods even more expensive. It is an unfair law, because prices have risen as a result of inflation, and by boosting this tax the government will push them even higher.

The people have already lost much of their buying power and, therefore, cannot afford to meet many of their needs. This drop in buying power has been caused by undisciplined and irresponsible governments that spend more than they take in in tax revenue. The decree boosting taxes is thus even more unjust, because far from taking steps to cut spending, the government is hiking prices to secure more revenue, thus further punishing consumers.

Realizing that Decree-Law 149-85 will boost prices and thus adversely affect the citizenry and the economy, the government of the republic must repeal it.

Furthermore, the economic corrections that our country requires must be implemented through a comprehensive economic policy that stimulates development, encourages investment, production, job creation and higher wages and strengthens our currency. Greater intervention, tighter controls and isolated regulations will only worsen the situation and further lower the living standards of Guatemalans.

8743
CSO: 3248/316

GUATEMALA

CEREZO URGES SHARING OF WEALTH BY PRIVATE SECTOR

Guatemala City EL GRAFICO in Spanish 26 Feb 86 p 5

[Article by Jorge Mazariegos]

[Text] Guatemala City, 26 Feb--The president of the republic, Vinicio Cerezo, yesterday issued an impassioned appeal to the private sector to abandon its "selfish attitudes." He also pledged not to enact "surprise" regulations that could adversely affect the economy and not to make the devaluation of the quetzal official even though he acknowledged that it has, in fact, been devalued.

The Christian Democratic president spoke at the luncheon that the American Chamber of Commerce in Guatemala organized on the role of private enterprise in the consolidation of democracy. The session was attended by production sector representatives eager to see some indication at this time that the government is working on an economic recovery program.

The country hopes that private enterprise will fulfill its responsibility to produce and to create wealth "in order to share it with the people" at a time when 70 percent of the population is living in poverty, 33 percent in extreme poverty, the president indicated.

Cerezo Arevalo said that between 46 and 50 percent of the population are without jobs and "have to steal to survive." Therefore, to correct this situation, "wealth must be generated and shared."

The economic recovery program being drafted is aimed at correcting the underlying problem, not just exchange rate and financial problems.

"The private sector will see the program late next week so that it can analyze and discuss it. We are expecting an act of faith from a private sector that is willing to sacrifice and to listen to guidelines so that we can lead the country down the path of justice, equity and respect for the law."

The private sector must seek common ground and answers, not engage in criticism. This must belong to the past. "New ground rules must be established," Cerezo said, "and for its part the administration is prepared to

fulfill its responsibility to respect the law and to run a government for all the people."

"The country has wealth. We have operating capacity for production. What are we waiting for then to come to terms? If we reached an agreement with the Armed Forces to establish democracy, why can't we reach an agreement with the private sector to solve our economic problem?" Cerezo emphasized.

"The economic recovery program that we are putting together seeks to facilitate the operations of private enterprise. We do not, however, want to devalue. We are reluctant to officially devalue our currency, even though it has already been devalued in effect."

He said that decision-making cannot be speeded up, inasmuch as we must have a clear view of what we want to do in the economic arena, because a misguided program could doom Guatemala.

In brief, President Cerezo gave the business community an outline of his economic policy, which will be presented to the private sector next week for its approval. It can be summarized as follows:

--There will be no official devaluation.

--The economic recovery program that is supposed to take effect next March includes the rescheduling of part of the foreign debt and exchange rate and financial measures.

--No surprise steps will be taken, as in the past.

--The budget deficit will be reduced in various ways, including a five percent cut in government spending, savings and sound spending guidelines.

8743

CSO: 3248/314

GUATEMALA

GOVERNMENT, PRIVATE SECTOR OWE 435 MILLION QUETZALES TO IGSS

Guatemala City PRENSA LIBRE in Spanish 12 Feb 86 p 18

[Text] The government, the decentralized bodies and private enterprise owe the Guatemalan Social Security Institute about 435 million quetzales in back contributions, the new manager of the IGSS, Dr Julio Francisco Penados del Barrio, reported yesterday.

At his first press conference he indicated that he would submit several options to President Cerezo for the government to pay off its 317-million quetzal debt.

The possibility was initially raised of canceling the government's debt, on the condition that it would promise to pay its debts punctually after the corresponding contract was signed.

"However," Dr Penados said, "President Cerezo did not accept this. He agrees that the government should fulfill the commitments it has contracted. One of the ways it could pay back would be to build the infrastructure that social security needs throughout the country."

The infrastructure would include hospitals all over the country, so that the IGSS could expand its program coverage, especially along the southern coast, where there are many workers.

Private Enterprise

Dr Penados indicated that he intends to see to it that private businesses pay back the 94 million quetzales they owe the IGSS. "To this end," he noted, "we will try to motivate them by providing excellent services, to show them that the contributions are worth paying."

In another vein, Penados del Barrio intends to provide immediate care through ambulance services, consultation clinics at factories and other services for patients or affiliates.

Decentralized Bodies

The capital city government and other decentralized bodies owe the IGSS some 24 million quetzales. Talks will be held with the representatives of these institutions to see how much each can pay back. Penados del Barrio asserted that the 8-million quetzal claim against the capital city government still stands.

Medicine

With regard to the supply of medicine for all social security units, he said that efforts are under way to secure enough foreign exchange to import the necessary pharmaceuticals.

No Firings

In conclusion, Dr Penados told all employees that they can rest easy because he has no intention of ordering dismissals; rather, he will encourage workers to help change the image of the IGSS.

8743

CSO: 3248/316

GUATEMALA

PENADOS HEADS SOCIAL SECURITY INSTITUTE

Guatemala City PRENSA LIBRE in Spanish 12 Feb 86 p 6

[Text] Yesterday, Dr Julio Penados del Barrio was sworn in as new manager of the Guatemalan Institute of Social Security [IGSS], during a ceremony led by the minister of labor and social security, Catalina Soberanis Reyes, and other state officials.

First, the minister read the resolution issued by President Vinicio Cerezo Arevalo; then she proceeded to swear in the new manager, who replaces Dr Juan Eduardo Sanchez Garcia.

Also present at the ceremony were the minister of public health, Dr Carlos Armando Soto; the chairman of the IGSS board of directors, Prof Otto Solorzano; Dr Roberto Rodriguez Montoya, mentioned as Solorzano's future replacement; and other social security board members.

Dr Penados, for his part, remarked that his administration would be directed toward improving the quality of the medico-hospital and economic benefits, as well as the expansion of the coverage in the different programs.

He said that, concurrently, programs for administrative development would be carried out to improve the productivity of the existing resources as well as the results in providing for the beneficiaries. "We have also considered redesigning the physical and medico-hospital infrastructure, both in the metropolitan and the departmental areas."

Dr Penados del Barrio, who has worked for social security over 15 years, noted in conclusion that he would soon announce his work plans in detail, which are consistent with President Cerezo's social policy aimed at enabling the largest number of Guatemalans to enjoy social security benefits.

2909
CSO: 3248/308

GUATEMALA

IMMIGRATION OFFICE 'RAMPANT' WITH CORRUPTION

Rodil Outlines Practices

Guatemala City PRENSA LIBRE in Spanish 20 Feb 86 p 6

[Text] "The General Directorate of Immigration is one of the most corrupt government agencies," Interior Minister Juan Jose Rodil Peralta stated yesterday at a press conference in his office in the national palace.

The minister, who did not mention names of individuals who might be guilty of administrative corruption, said that at border checkpoints, for example, Immigration employees demand money from people trying to enter or leave the country.

"We are aware that they even have set fees and that they do not provide receipts. All of this is illegal and criminal, and investigations will be conducted to establish responsibilities."

Illegal Chinese Immigration

The minister was asked by newsmen about the alleged immigration of many Orientals, mainly Chinese, since there is speculation that they have been charged large dollar amounts to enter Guatemala.

Rodil Peralta said that "there is nothing official on this," adding, however, that the current immigration authorities will establish controls to prevent further corruption and to apprehend the guilty parties and hand them over to the courts.

He went on to say that it is public knowledge that the law has been violated in the Immigration Directorate, in the form of administrative corruption, for example, and therefore the ministry is forced to make major changes in the National Police.

Government Action Sought

Guatemala City PRENSA LIBRE in Spanish 21 Feb 86 p 10

[Editorial: "What Minister Rodil Says About the Immigration Service"]

[Text] The reports of corruption in various government agencies continue to snowball, and some, such as the one about a toy that cost some \$300,000 and that is useless because it has not been maintained, are mind-boggling.

Interior Minister Juan Jose Rodil Peralta once again shocked public opinion when he flatly asserted that the Immigration Service has been one of the government's most corrupt agencies. His assertion seems a bit less forceful, however, because he spoke only about border checkpoints, where employees "collect money without providing receipts and have set fees, which are completely illegal."

Such corruption is a fact among the employees of the General Directorate of Immigration. All Guatemalans or foreigners traveling by land have had to put up with such extortion more than once. But the big money is not to be made at the border posts; it is or was made here in the capital, at the main offices. When newsmen asked Minister Rodil about the "Chinese affair," they were giving him the opportunity to discuss one of the major unethical practices that rumor has it exists in the directorate, which not long ago was described as having a "national security" function.

It is called "the Chinese affair," but it applies to any foreigner who wants to "buy" permanent residency in Guatemala as a prerequisite for Guatemalan citizenship.

The issue is so important that a few years ago newsmen learned that an immigration director had come to blows with a deputy interior minister in the latter's office, to the great surprise of ministry personnel, who intervened to separate the combatants. It was thought at the time that the incident had been prompted by an "immigration affair."

Rodil Peralta asserted that "the Immigration Directorate has been one of the most corrupt government agencies" and announced that the government would conduct investigations to establish the legal responsibilities of all employees implicated in criminal activities. The minister has another major task on his hands here.

Coining a phrase, Rodil Peralta has said that no matter how good a project is, it will not move unless we put wheels on it. The wheels will have to be quite large on the projects that he has undertaken.

Something important needs to be said at this point: For a long time we have heard announcements of investigations and more investigations, the enthusiasm for which dies down as the months go by. Let's wait and see what happens this time. The country needs a bit more than good intentions. It needs action.

8743

CSO: 3248/311

GUATEMALA

GOVERNMENT WITHDRAWS DEATH PENALTY PREROGATIVE

Guatemala City EL DIARIO DE CENTRO AMERICA in Spanish 20 Feb 86 p 1

[Text] Foreign Minister Mario Quinonez Amezquita reported today that Guatemala would withdraw from the OAS Human Rights Commission the prerogative that it has asserted concerning the enforcement of the death penalty for common crimes and related political crimes.

The prerogative was approved by the Congress of the Republic at the request of the government that was in power from 1978 to 1982. It set forth the government's contention that it could continue to apply the death penalty in the case of common crimes and related political crimes.

The Foreign Ministry has asked the president to withdraw the prerogative in question, bearing in mind that it runs counter to the spirit of the Human Rights Commission and, furthermore, that the Political Constitution provides specifically that the death penalty cannot be applied to these crimes, Guatemala's number one diplomat asserted.

Thus, in accordance with the constitution, Guatemala will soon send a commission to the OAS to withdraw the prerogative. This move is in keeping with the government's clearly stated intention of fully respecting human rights in accordance with its signing of the human rights convention, Quinonez Amezquita said in conclusion.

8743

CSO: 3248/312

GUATEMALA

BRIEFS

GOVERNMENT FILLS KEY POSITIONS--Yesterday, the government of the republic announced new appointments of officials, including those of two vice ministers, the new general subdirector of the National Police, those in the educational area, and the new directors of certain hospitals in the republic. Named as second vice minister of foreign relations was Rodrigo Montufar Rodriguez, and as second vice minister of public health and social assistance, Dr Jorge Mario Izaguirre Estrada. The General Secretariat of the Presidency announced the appointment of the new subdirector of the National Police, naming to this position Infantry Col Ricardo Alberto Pinto Recinos. Eduardo Spiegler was named manager of PROLAC; Carlos Rene Escobar Montenegro, as coordinating secretary of the national board of out of school education; and Ruben Homero Jerez Mejicanos, general director of school education. Appointed to the health area were Drs Mario Rodolfo Gatica Palacios, as director of the Cuilapa national hospital; Juan Roberto Rodriguez Montoya, director of the Totonicapan hospital; German Ludwig Scheel Bartlett, director of the Quetzaltenango hospital; and Clara Luz Villeda de Saravia, to the Mazatenango hospital. [Text] [Guatemala City PRENSA LIBRE in Spanish 1 Mar 86 p 2] 2909

MAS ORGANIZES LEADERSHIP--It has been reported that the committee for the formation of the political party Solidary Action Movement (MAS) swore in its first provisional board of directors in Escuintla. This committee operates under the general secretaryship of engineer Jorge Serrano Elias, who said that the organizational process is being continued throughout the entire republic. Sworn in as MAS general coordinator in Escuintla was the architect Cesar Augusto Masella Barrera; as general secretary, Leonel Pantaleon Salazar; as assistant general secretary, Prof Adolfo Echeverria; as minutes secretary, accountant Martin Garcia; and as organization secretary, Enrique Cabrera Valle. It was noted that MAS came into existence as a result of the new legislation which the government is promoting in the electoral area, seeking, among other things, solidarity among its members as a fundamental basis for democracy and complete political integrity. In administering the oath, engineer Serrano Elias remarked that MAS is aimed at forming the first political force in the country based on the principle of the rights of its members and on the cooperation of all, to attain the necessary strength and organization required for every majority party, as this political group already is; one in which Guatemalans desirous of forming a new political force have found shelter. [Text] [Guatemala City PRENSA LIBRE in Spanish 27 Feb 86 p 27] 2909

LABOR UNREST--Guatemala City, Feb 15--A month after taking office as president, Vinicio Cerezo Arevalo is faced with his first labor crisis, as civil servants have announced a work stoppage to protest cuts in wages. Meanwhile, at the municipal level, Retalhuleu is another scene of social unrest, as the Christian Democrat mayor there, Marco Polo Villatoro, has been unable to halt a strike movement after establishing a single shift workday. Separately, employees at Guatemalan National Railways announced yesterday that they were prepared to stop working if the authorities at the semiautonomous agency continue their policy of no extra shifts or overtime pay. [Text] [Guatemala City EL GRAFICO in Spanish 15 Feb 86 p 9] 8743

DEFENSE MINISTER ANNOUNCES CHANGES--The national defense minister, Gen Jaime Hernandez Mendez, has announced a series of changes ordered by President Cerezo Arevalo, concerning members of the military specifically. He reported that Col Anacleto Maza Castellanos, who served as auditing manager of the national aviation company AVIATECA, has been appointed commander of the Guatemalan Air Force (FAG). Col Ronald Sandoval has been named commander of the Army Corps of Engineers. Col Francisco Castellanos Gongora is the new promoter of FYDEP [National Enterprise for the Economic Promotion and Development of El Peten]; and, finally, former minister of interior during Gen Efraín Rios Montt's regime, Col Ricardo Mendez Ruiz, has been assigned as military attache at the embassy in Venezuela. Up until the present, Colonel Mendez Ruiz had held that post in Argentina. [Text] [Guatemala City EL GRAFICO in Spanish 19 Feb 86 p 19] 2909

LEONEL APPOINTED POLICE SPOKESMAN--Commissioner Mario Ramirez Ruiz will no longer provide information regarding the National Police and commissioner Edgar Leonel Lorenzo, present director of the police institution's professional technical school, has been named to replace him. Ramirez Ruiz, who is also an elementary school teacher, held the position of National Police spokesman for several years on an honorary basis. He was first director of the institution's school, and is now first chief commissioner of the police third substation in zone 5. As was learned yesterday, the replacement of Ramirez Ruiz by Lorenzo was due to the fact that, because of the position that he held, the former had no time to deal with reporters, an argument that was not shared by the reporters covering the police source. The reporters noted that, in addition to having complete knowledge of police movements, Ramirez Ruiz was also a journalist, and during the entire period that he served as spokesman for the police entity, he maintained good relations with the press, and did not allow that institution to conceal official information, which would cause a distortion of the news. [Text] [Guatemala City PRENSA LIBRE in Spanish 21 Feb 86 p 7] 2909

CSO: 3248/282

HONDURAS

FOREIGN MINISTER CALLS FOR NONINTERVENTION POLICY

San Pedro Sula LA PRENSA in Spanish 1 Feb 86 p 3

[Text] The new foreign minister was introduced to the ambassadors and representatives of international organizations in a solemn ceremony held in the Manuel Bonilla National Theater at noon yesterday.

The new minister of the presidency, Jose Pineda Gomez, and the new deputy minister of foreign affairs, Guillermo Caceres Pineda, were also present.

Carlos Lopez Contreras was introduced by the senior adviser to the Secretariat of State for Foreign Affairs, Policarpo Callejas. He pointed out that Lopez Contreras' appointment is a professional triumph.

The new foreign minister stated that Azcona Hoyo's government is convinced that political systems resulting from free elections "are the necessary starting point to achieve domestic peace based on the promotion of human rights and international peace based on mutual respect."

The foreign policy of the new Honduran Government will be "the expression and clear reflection of its domestic policy--that is, actions of the state at the service of peace, security, and international friendship."

Concerning Central America, he added: "Honduras will clearly abide by the sacred principles of nonintervention in the affairs of other states and free self-determination of the peoples, as Azcona Hoyo proclaimed in his inaugural speech."

The minister emphasized: "We demand that the fraternal nations also respect our right to act according to our own principles."

Maintaining that peace is "the primary objective of Honduran foreign policy," the foreign minister repeated that Honduras will continue to endorse the negotiations of the Contadora Group and the Support Group formed last year.

Lopez Contreras told the diplomatic corps that he will encourage better relations with other peoples, countries, and international organizations.

After the foreign minister's message, the dean of the diplomatic corps, apostolic nuncio Monsignor Andres Cordero Lanza DiMontezemolo, said: "He will not have an easy task."

The Vatican's representative in Honduras praised the fact that Honduran foreign policy will be a reflection of its domestic policy. He wished Lopez Contreras good luck in his new job.

Lanza DiMontezemolo told the minister that he will have the cooperation of the diplomatic corps. He stated: "Peace is the product of cooperation among everyone."

Lopez Contreras, Pineda Gomez, and Caceres Pineda then greeted each accredited diplomat in Tegucigalpa personally.

7717

CSO: 3248/288

HONDURAS

CALLEJAS TAKES OVER PNH CENTRAL COMMITTEE

San Pedro Sula LA PRENSA in Spanish 5 Feb 86 p 5

[Text] Tegucigalpa--Rafael Leonardo Callejas has taken over as chairman of the Central Committee of the National Party, and Enrique Rivera Lopez as coordinator of the party's Political Committee.

Chosen by the conventioners to take charge of the National Party's future, in conjunction with other well-known party figures, they have already started working to prevent others from heading off their plans.

Gen Juan Alberto Melgar Castro, the former Central Committee chairman, officiated at the transfer of power.

Callejas asserted that the National Party has no role in the Azcona administration; it has a part in two branches of government as a result of its representation in the National Congress.

He said that the party is directly involved at the moment in the Supreme Court. This enables the party to see to it that the courts of first instance register its members without complications.

This government is not made up of Liberals and Nationalists. There are simply negotiations between two branches of government representing the ALIPO [People's Liberal Alliance]-Azcona coalition and the Callejas group, but there is no alliance of the traditional parties. The fact is that certain politicians want to confuse the citizenry, Callejas said.

8743

CSO: 3248/292

HONDURAS

CALLEJAS ON U.S. ROLE, NICARAGUA CONFLICT

San Pedro Sula LA PRENSA in Spanish 6 Feb 86 p 3

[Text] Tegucigalpa--Rafael Leonardo Callejas is in favor of keeping American troops in our country as a safeguard against Nicaraguan aggression.

The new chairman of the Central Committee of the National Party (CCPN) agrees with the president of the National Congress, Carlos Orbin Montoya, on the U.S. military presence in the country.

The number one man in the National Party said that during his election campaign he contended and still does that the United States is and ought to be our military ally, inasmuch as Honduras does not have the money to confront Nicaragua's military might and that as long as Nicaragua maintains that large a military, we have to be ready for anything when we least expect it.

He went on to say that "we have to be on the alert with a totalitarian, Marxist-Leninist government like Nicaragua's, which failed to keep its commitments to the Nicaraguan people, and we must bear in mind the expansionist ambitions of communists."

According to Callejas, until such time as we can afford to defend ourselves, our only choice is to maintain a direct association and engage in military exercises with the United States.

This does not mean, he indicated, that a U.S. presence hinges on other interests; it is tied to the bilateral treaties that enable our allies to offer support for our Armed Forces in military hardware and training so that they can be permanent allies and ward off any aggression by the Nicaraguans.

Callejas commented on these points after being sworn in as the new chairman of the Central Committee by Gen Juan Alberto Melgar Castro, the outgoing chairman.

The Central Committee officers were elected by all of its members. The new chairman is Rafael Leonardo Callejas; secretary, Mario Aguilar; assistant secretary, Margarita Calix; treasurer, Ramon Rufino Mejia Mejia. The other members, in order, are: Ricardo Maduro, Efrain Reconco Murillo, Jose Ramirez

Soto, Donaldo Suazo Tome, Carlos Medina, Roberto Bogran Paredes, Victor Galdamez Prieto, Oscar Escalante and Ofelia Bogran de Rodriguez.

Callejas promised to eliminate party cliques; such cliques have been traditional in the country's two largest political parties. He will integrate all factions to abolish the monopolies of certain political leaders who in the past have held as many as three important posts in the National Party.

8743

CSO: 3248/292

HONDURAS

PNH REACHES OUT TO CONSERVATIVE LATIN AMERICAN PARTIES

Tegucigalpa LA TRIBUNA in Spanish 7 Feb 86 p 8

[Text] After the first session was opened and six new members were sworn in, Rafael Leonardo Callejas asked the Political Commission of the PNH [National Party of Honduras] to be aggressive and act as a support organization for the Central Committee.

The Political Commission met Wednesday night at the Central Committee under the leadership of the new president of the Central Committee. The only business on the agenda was to swear in Gilberto Goldstein, Orlando Henriquez, Yolando Barahona de Suazo Tome, Tomas Martinez Ponce, Rene Sagastume Castillo, and Luis Bier Izaguirre.

Callejas stated that the Electoral Commission must amend the statutes of the PNH to adapt them to modern policy. "We want to have primary elections by the second half of 1988 so that the PNH can freely choose its candidates for popular election in the 1989 elections."

International Ties

The PNH needs a new, more dynamic and permanent structure, according to Callejas. "Therefore, we are considering a number of projects including the creation of a political training school to train new leaders."

He indicated that the Political Commission will be authorized to establish contacts and participate in international political forums. He revealed that Cesar Batres has already made overtures toward establishing relations with the Conservative Party of Colombia and Social Democracy and COPEI [Social Christian Party] in Venezuela "because we must not isolate ourselves nor isolate the party from other political organizations in the world."

Callejas announced that the PNH must begin negotiations for the installation of a radio station "although it will continue to buy time on national radio stations."

Nationalist Treasurer

He announced that the Central Committee named Bernard Casanova party treasurer and Gabriel Ordonez auditor general. "We will allocate resources to remodel our party's house as well as to create a special meeting room with the necessary equipment and support personnel for the Political Commission."

HONDURAS

PARTIES DISCUSS CONSEQUENCES OF PNH MAJORITY IN TNE

San Pedro Sula TIEMPO in Spanish 4 Feb 86 p 5

[Text] Tegucigalpa--The Nationalist majority in the TNE [National Electoral Court] will not affect the results of the coming municipal and presidential elections, according to the Liberal representative to that organization, Pompilio Romero Martinez, when he took office yesterday.

Through an agreement between Azcona and Callejas, Nationalism has the majority in the TNE since it has the vote of the party representative and the representative of the Supreme Court of Justice controlled by Callejism.

Romero Martinez, also secretary general of the CCEPL [Central Executive Council of the Liberal Party] headed by President Jose Azcona Hoyo, said that the election results that the government party obtains will depend on the work of the leaders and the current administration.

The politician said: "It does not just hinge on the attitude of the local leaders." He indicated that it will also depend on Azcona Hoyo's administration, whether good or bad.

Repeating that Callejism does not have any advantage by having control of the organization that will supervise future elections, Romero Martinez said that the members of the TNE "are implicitly obliged to carry out the electoral law."

The Liberal Party's representative to the TNE announced that the personnel of that organization and the RNP [National Registry of Individuals] will be evaluated, apparently to dismiss some employees and hire others.

It was learned this week that other new members of the TNE will be the representative of the Supreme Court of Justice controlled by Callejism, Cesar Tome, and the representative of the National Party, Roberto Callejas.

The Liberal representative replaced one of Suazo Cordova's followers, Rene Corea Cortes. Nationalist Tome will replace Liberal Rafael Palacios Tosta and Callejas will replace Adalberto Discua Rodriguez who is now a member of the cabinet as minister of labor.

7717

CSO: 3248/289

HONDURAS

RAMOS SEEN AS CALLEJAS' 1989 PARTY OPPONENT

San Pedro Sula TIEMPO in Spanish 3 Feb 86 p 8

[Text] More than 3 years prior to the next presidential elections, the contest for the National Party nomination has begun between Rafael Leonardo Callejas Romero and Oswaldo Ramos Soto, it is being said in political circles.

This situation was revealed during the preconvention of the National Party, at which Callejas Romero presided. At this gathering, the former presidential candidate spoke of the desire of his opponent to win the nationalist presidential candidacy, with a view to the 1989 elections.

Nationalist politician Valentin Aguilar said that Ramos Soto, who has the support of university faculty members, has begun to work on organizing his presidential campaign.

Aguilar voiced the certainty that Ramos Soto has held at least two meetings at his home in recent days to promote the aspirations of the present rector of the National Autonomous University of Honduras (UNAH).

It was learned from those in political circles that the professors who support the ambitions of the rector include the majority of the deans of the faculties at this higher institution of learning, as well as the leadership of the rightist United Front of Democratic University Students (FUUD), which sponsored his appointment as rector.

It is said that Ramos Soto also has the support of several politicians who worked on the Callejas campaign during the last general elections.

According to Valentin Aguilar, Callejas Romero, in speaking about his probable opponent, said that "I would hope that there is no effort to use TIEMPO to create a division within the National Party."

He warned that if Ramos Soto does not pursue his campaign in "an appropriate fashion," by adopting positions consistent with those of the party authorities, "a conflict" could develop.

Callejas said that he is opposed to "confrontations" within the National Party, and he voiced the hope that the aspirations of Ramos Soto "will not work to the detriment of National Party unity."

At the nationalist convention held in Tegucigalpa on Saturday, with Callejas Romero presiding, there were some attacks on possible presidential hopeful Ramos Soto.

According to reports, the National Party, through its top leadership, which is now headed by Callejas Romero, will hold internal elections a year before the general elections, in order to chose its candidate for the presidency, as well as delegates, deputies and nominees for the municipal corporations.

5157

CSO:3248/294

HONDURAS

FORMER PLH OFFICIAL DENOUNCES PARTISANSHIP

San Pedro Sula TIEMPO in Spanish 10 Feb 86 p 14

[Text] Tegucigalpa--"Yes, we were partisan, but against the opposition," argued the former adviser of the ousted Executive Central Committee of the Liberal Party (CCE-PL), Max Gil Santos.

Gil Santos attacked the administration of President Azcona, asserting that "he is bringing unprecedented partisanship into the Liberal Party."

While scoring them for being partisan, he admitted that "perhaps we were partisan too, but against the opposition, not our own fellow Liberals."

"Now," he contended, "there is incredible partisanship against Liberals themselves in government offices. They call everyone ruling party men and want to destroy them just because they worked for the Suazo Cordova administration."

Santos contended that they did not persecute Liberals. "We persecuted neither Liberals nor Nationalists; we gave our fellow party members the chance to work."

After Jose Azcona broke with then President Suazo Cordova, Azcona's followers became the targets of relentless persecution to oust them from their jobs.

8743

CSO: 3248/292

18 April 1986

HONDURAS

IMPORTERS CRITICIZE AZCONA'S CABINET CHOICES

San Pedro Sula LA PRENSA in Spanish 7 Feb 86 p 5

[Article by Isabel Guandique]

[Text] San Pedro Sula--Edwin Rosenthal, president of ANDI [National Association of Importers], stated yesterday that the cabinet recently named by the president of the republic does not meet the aspirations of the businessmen because most are politicians. It is feared that this administration will be worse than Roberto Suazo Cordova's.

Rosenthal commented: "Very bad choices have been made. Even the deputy ministers are not technicians, but politicians. That has generated a lack of confidence in the productive sectors. They will not invest because they do not have a shred of confidence."

He explained that there are few exceptions in that cabinet. He cited the Secretariat of State for Economy as one of the best. The others may be honest and intelligent men but they cannot handle purely administrative aspects because their field is politics.

He said that he is optimistic when he goes to meetings with businessmen. However, he leaves "deflated" after listening to the rest of his comrades who are very concerned about what could happen under the current administration.

He predicted: "Things still look gloomy. We hope there is a positive change in the coming months. Otherwise, the economic situation of the country will become even worse."

Minimum Wage

He commented that it is a patriotic duty to increase the minimum wage for the workers. They were even willing to pay up to 7 lempiras, 50 centavos. However, this must be studied in order to avoid provoking inflation which would eliminate the parity that the lempira now has with the dollar.

He noted that the construction industry cannot tolerate an increased minimum wage because small industry has almost disappeared. There have been agreements to pay more, but they only cover the members of ANMPIH. It has

some 150 members, but there are more than 1,000 craftsmen and small businessmen who cannot handle that situation.

He revealed: "The workers must study the situation and avoid strikes of solidarity because these will quickly ruin the economy."

As to the sugar situation, he stated that the government must be more aware of diversifying production in the areas planted with cane. It must lower its interest rate of 15 percent on loans for fields that will produce within 5 years. "After all, the money is national money and even the government must sacrifice. Only by uniting will the country progress."

He said that the Honduran economic recovery preached by different officials did not really exist. The current increase in the price of coffee might generate more trade but will not directly benefit the economy as a whole.

Last, Edwin Rosenthal referred to the new executive board of the CCIC [Cortes Chamber of Commerce and Industries]. He stated that they were good businessmen and good Hondurans. They really relied on innovative and hard work to benefit all the members.

7717

CSO: 3248/289

HONDURAS

BANK OFFICIAL PROJECTS WINDFALL COFFEE EARNINGS

San Pedro Sula LA PRENSA in Spanish 5 Feb 86 p 2

[First paragraph is LA PRENSA introduction]

[Text] Tegucigalpa--The state will receive approximately \$150 million from international coffee sales, according to the president of Central Bank, Gonzalo Carias Pineda.

This is because 35 percent of the coffee crop in Brazil, one of the largest producers, was lost due to the harsh winter there.

Carias Pineda feels that Honduras will benefit for the next 2 years from a considerable increase in foreign currency if international coffee prices are maintained.

Since the country has an enormous oil bill, the official maintained that the \$12 to \$20 reduction in the price per barrel of crude oil will mean a considerable savings that will strengthen the balance of payments.

Carias Pineda reported that Central Bank will issue bonds for 10 million lempiras to promote the housing sector and generate jobs based on an Economic Cabinet project.

He indicated that these resources will be combined with AID resources. The opening of feeder roads in several production areas of the country will also generate jobs.

He explained that, in order to obtain the greatest benefit, that program will not be carried out with special machinery because that would considerably increase costs and reduce the benefits for the unemployed.

7717

CSO: 3248/289

HONDURAS

DROP IN OIL PRICE SAVES 40 MILLION LEMPIRAS

Tegucigalpa LA TRIBUNA in Spanish 1 Feb 86 p 7

[Text] By the end of 1985, the country's foreign oil bill for imports of crude oil had dropped more than 40 million lempiras.

Available figures for 1985 energy purchases by Honduras from Venezuela, Mexico, Trinidad and Tobago, the United States, Panama, and others totaled only 283 million, 43 million less than the 326 million paid in 1984.

Value of Energy Imports and Barrels Consumed
(millions of lempiras, thousands of barrels)

<u>Item</u>	<u>1983</u>	<u>Year</u> <u>1984</u>	<u>1985</u>	<u>Absolute</u> <u>1983/82</u>	<u>Increase</u> <u>1984/83</u>
Oil bill (1)	296	326	283	30	-43
Barrels consumed	4,208	4,471	4,238	263	-233
Diesel	2,085	2,115	2,041	30	-74
Bunker	602	732	508	130	-224
Gasoline	795	813	827	18	14
Others	726	811	862	85	51

(1) Imports by Texaco Refinery

This major decrease in crude oil imports helped our balance of payments by reducing pressure for foreign currency for this sector. It was caused by the replacement process in energy consumption generated by the start-up of the El Cajon hydroelectric dam.

The start-up of the El Cajon hydroelectric dam changed the type of energy used in the production process in the country from thermal energy to hydraulic energy. This meant a substantial reduction--more than 600,000 barrels--in the amount of oil imported.

Another factor in the reduction of the oil bill was the slight decline in the price per barrel of crude oil in 1985.

It is estimated that 1986 imports of oil and derivatives will be similar to 1985 imports. However, there are strong indications that the cost might drop even more as a result of the lower price per barrel of crude oil planned by some OPEC countries. This would lower Honduras' payments for oil.

Central Bank of Honduras
Tegucigalpa, D.C., January 1986

7717
CSO: 3248/288

HONDURAS

GROUPS DIVIDED ON WAGE INCREASES, AMENDMENTS

Unions Call for Reforms

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 8

[Text] Tegucigalpa--A committee of the National Congress and the country's main labor federations yesterday examined a bill to increase the minimum wage and to make a series of amendments to the Labor Code.

The meeting was held in a room of the Legislative Palace and was attended by the leaders of the so-called National Council of Workers and Peasants.

At the close of the meeting, Efrain Diaz Galeas said that it had been "important" and that "fundamental points such as amendments to the Labor Code and a higher minimum wage" had been discussed.

With regard to the Labor Code, the secretary general of the General Central Organization of Workers (CGT), Felicito Avila, said that "a philosophical interpretation of its content" was needed, so that no individual party to a conflict has the advantage in certain cases.

Avila cautioned that as far as boosting the minimum wage was concerned, a series of situations had to be looked into so that an increase "does not amount to nothing."

The labor leader explained that if an increase in the minimum wage leads to higher inflation, "the increase will only enable us to say that the minimum wage was boosted, but the workers will not benefit at all."

In this regard, organized labor told the congressional committee studying a possible minimum wage hike that price controls had to be established, that producers had to be given incentives and that the middlemen in sales of consumer goods had to be eliminated. "A minimum wage hike will do no good unless prices are regulated," he said.

Avila said that at the meeting the workers also called for the creation of social security, agrarian reform and forestry committees.

The lawmakers were also asked to pass an amnesty decree and several bills that have been under discussion since 1985.

The chairman of the congressional committee, Jorge Maradiaga, indicated that the talks on a minimum wage boost would continue on Friday with private enterprise.

He said that the Labor Ministry, the Central Bank and the Economy Ministry would also be consulted so that the committee gets a broad overview before making a decision.

He announced that tripartite meetings would be held after the Friday meeting with the Honduran Council for Private Enterprise (COHEP), to decide on the amount of the increase.

The labor leaders and the congressmen agreed that the amount by which the minimum wage may be increased has not been decided on yet.

National Congress Opposed

San Pedro Sula LA PRENSA in Spanish 5 Feb 86 p 3

[Excerpt] Tegucigalpa--Representatives of the workers and members of the National Congress met to get rid of "profiteers" and then to review the minimum wage for the country's workers.

Dr Jorge Roberto Maradiaga chaired the congressional committee that met with the workers to come up with suitable amendments to Article Seven in response to the petition that the workers submitted last year.

Maradiaga said that investigations are being conducted into ways of meeting the workers' demands, inasmuch as a higher minimum wage will not solve the problem because of its repercussions on those same workers.

He stated that the two committees agree that a higher minimum wage is not the answer, because the prices of mass consumption items would increase right away.

Amnesty Decree

Christian Democratic lawmaker Efraim Diaz Arrivillaga indicated that his colleagues are seriously considering hastening the passage of an amnesty decree, inasmuch as a new democratic government has just taken office.

It is the judgment of Diaz Arrivillaga that such a decree deserves special consideration.

"We want to establish regulations that will put an end to the persecution of labor, peasant or political leaders, because such persecution only creates anxiety for the families that have been hurt by the at times unjust imprisonment of those who believe in changes for the Honduran family," he stated.

Private Sector Negative

San Pedro Sula TIEMPO in Spanish 8 Feb 86 p 5

[Text] Tegucigalpa--Private enterprise is opposed to a higher minimum wage, arguing that it would hurt medium-size industry, Congressman Manuel Guerrero, a member of the committee that the National Congress set up to review pay hikes, said yesterday.

The committee met yesterday with the officers of COHEP to hear the private sector's views on boosting the minimum wage and amending the Labor Code.

Manuel Guerrero, a Callejas congressman and the president of the El Mochito Labor Union (SOEM), said that the COHEP officers submitted a minimum wage bill and a bill with Labor Code reforms to the congressional committee; "they were drafted in 1974, and we therefore regard them as out of date," he added.

He went on to say that private enterprise feels that a wage hike is not fair because it would hurt medium-size industry. Nevertheless, it supports the reforms to the Labor Code to avoid conflicts in its enforcement.

On Wednesday of next week, the congressional committee, the COHEP officers, the leaders of the worker and peasant federations and Labor Ministry authorities will meet to chart a strategy for amending the Labor Code and reviewing the minimum wage.

Guerrero indicated that the congressional committee charged with looking into reforms of the Labor Code is made up of 10 lawmakers, whereas the committee reviewing the minimum wage consists of 11 congressmen. The bills that these committees draft will ultimately be reviewed by a committee made up of lawyers and economists.

8743

CSO: 3248/291

HONDURAS

CENTRAL BANK ANNOUNCES EMERGENCY CONSTRUCTION PLANS

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 10

[Text] Tegucigalpa--The BCH [Central Bank of Honduras] is allocating 10 million lempiras for the construction sector as part of the emergency program to generate jobs that the national government is preparing.

Engineer Jose Azcona Hoyo, president of the republic, Minister of the Presidency Celeo Arias Moncada, and the Economic Cabinet made up by the minister of economy, minister of finance, the BCH, and CONSUPLANE are working on that emergency program.

After meeting yesterday with the minister of the presidency, Gonzalo Carias Pineda, the president of the BCH, said that we are learning how to draw up a job program.

He reported that the BCH is allocating resources for construction work, especially housing construction.

Carias Pineda said: We are going to issue bonds for 10 million lempiras. We also have some resources from the AID that we will add to that so that the construction industry receives priority under this government.

The official said that the housing construction program was assigned to the BCH and the National Housing Institute.

Carias Pineda pointed out that there are other alternatives. He cited the construction of highways and feeder roads as well as export promotion in general. They will promote jobs anywhere they can.

He said that many jobs will be generated in the construction sector and national raw materials will be used. They will use massive manpower and rudimentary machinery to open feeder roads.

Carias Pineda said: I think this will provide employment mainly for the underprivileged sectors which have the highest unemployment rate.

The president of the BCH feels that the unemployment rate in Honduras is higher than 25 percent of the economically active population.

7717
CSO: 3248/289

HONDURAS

CHURCH PLEADS CAUSE OF POOR TO AZCONA

San Pedro Sula TIEMPO in Spanish 5 Feb 86 p 11

[Text] Tegucigalpa--The archbishop of Honduras, Monsignor Hector Enrique Santos, has reminded President Jose Azcona that he pledged to attend to the needs and problems of Honduran society, especially of the poorer classes.

Monsignor Santos addressed President Azcona at the close of the mass honoring the patron saint of the Honduran people, the Virgin of Suyapa, in Tegucigalpa.

The archbishop said that "we breathe the air of Mary," adding that he was calling on the Virgin of Suyapa and on God to "give the government special assistance."

He made the same appeal to the National Congress, the Supreme Court and the Armed Forces, recalling afterwards a letter that President Azcona had sent him in response to the congratulatory message that the monsignor had sent the president.

The archbishop of the Honduran Catholic Church indicated that in his reply President Azcona said that he intended to attend to the needs and problems of Honduran society, especially of the poorest classes.

"I think that this could be an offering placed on the altar of Our Lord." He said that he was beseeching God through the intercession of the Virgin Mary to help the president and all of the members of the government.

He told President Azcona that "I know of your good intentions, and we hope that with God's protection your noble heart will be gladdened by carrying out such magnificent programs for the benefit of the people."

8743

CSO: 3248/291

JAMAICA

MANLEY LEADS MARCH, PRESENTS PETITION TO SEAGA

Kingston THE DAILY GLEANER in English 11 Mar 86 pp 1, 3

[Text]

Thousands marched on Jamaica House yesterday morning behind PNP President Mr. Michael Manley who delivered a seven-point petition signed by over 92,000 people.

The petition addressed to Prime Minister Edward Seaga contained suggestions as to how the Government should spend the windfall from the drop in world oil prices.

Mr. Manley who handed two boxes with the signatures to Asst. Commissioners Gerald Brainwell and C.H. Leon, brought an abrupt halt to what was supposed to have been a 35-minute exercise in front of Jamaica House.

He thanked the placard-bearing demonstrators, said by police to be in excess of those who marched on the Central Bank November last, for showing "thorough discipline and determination" that the PNP was ready to resume office as Government. Mr. Manley thanked the security forces as well and said he was "tired of the lies and tired to see that it was the poor who always must suffer."

Some of the placards read: "My Heart Cries for Jamaica", "Son, It's Time To Go", "Enough Is Enough", "Study Now Pray Later" and "Save Jamaica".

Mr. Manley said that the demands were reasonable and serious to save the economy, education and the people. He then called on the crowd to disperse "until next time" when he would take up another issue.

After Mr. Manley left, thousands of demonstrators were reluctant to disperse. They looked at the entrance to the Prime Minister's office and hurled abuses.

A strong detachment of the Security Forces, with iron barriers, kept the swelling crowd from caving in the gates. The crowd left after pleadings from march leaders and Party officials.

However, police reported some 15 incidents of petty robbery by youths dispersing from the march. There were also incidents of hold-ups at the fringe of the massive crowd proceeding up Hope Road from Half Way Tree Square. Mr. Manley later condemned the incidents.

Earlier on Sunday night at the PNP's rally in a packed Half Way Tree Square sealed off to vehicular traffic, Mr. Manley pledged that he would revert to his policy of free education up to the tertiary level. He described as wrong and shameful what had been done to the university students.

"It's a crime...God judge me, I will live for the day when I will have to reverse what he (Seaga) has done to the university students."

Mr. Manley deplored what he said was Government's bullying of the Industrial Disputes Tribunal in "fighting down" the students, teachers and doctors. He called on the crowd to demonstrate their dissatisfaction.

He said a major part of the country's problem was that there was heavy spending on "nice things" while hospitals were closing down, workers were being laid off and students were being made to pay fees.

Certain opinion writers in the country had expressed pleasure about this trend, calling it management while in the last five years Jamaica had earned US\$3.7 billion but the country had been allowed to spend US\$6.5 billion on expensive cars, refrigerators and caviar.

Also speaking at the rally were Party Chairman P.J. Patterson who said that the Jamaica Public Service was going to be saving \$215 million

from the oil price reduction; and general secretary Dr. Paul Robertson who read details of the seven-point petition among others.

The vigil featured performances from "Sistren Theatre Collective", the Unique Vision Band and Revival Band from St. Mary. Thousands queued to sign the petition during the rally and vigil. Before the crowd departed for Jamaica House a religious service was conducted by Rev. Sedely Gooden.

Along the Hope Road route, armed police kept the crowd, spanning the width of the road behind Mr. Manley. But several people lunged forward, climbing fences to get ahead of Mr. Manley.

When Mr. Manley reached Jamaica House, people were still streaming from Half Way Tree chanting slogans.

/9317

CSO: 3298/392

JAMAICA

SEAGA CRITICAL OF INDUSTRIAL TRIBUNAL DECISION

Kingston THE DAILY GLEANER in English 13 Mar 86 p 2

[Text]

Prime Minister Edward Seaga said Sunday night that the two members of the Industrial Disputes Tribunal who signed the controversial salary award to junior doctors have acted against the best interest of good industrial relations and their continued membership in the IDT can "only serve to embarrass everyone and delay restoration of confidence in the IDT."

A change in the award after it was said that an error had been made sparked a one-day strike by junior doctors last Friday followed by a work-to-rule started Saturday by the doctors.

In his broadcast to the nation Sunday night Mr. Seaga said in part:

"Let me now look at the issue involving the judgment of the Industrial Disputes Tribunal in respect of the claim for an increase in the Government's wage offer.

"The matter was referred to the Industrial Disputes Tribunal which issued a judgment and an interpretation which, understandably, has disturbed everyone.

"In the findings in its first judgment, the IDT clearly stated that it could not increase salary in excess of that offered by Government.

"Yet in the same judgment the Tribunal went on to make an award which exceeds the very level which it admits cannot be exceeded. Simply put, the Government's offer was to increase salaries by 12½% in 1985/86 starting in July 1985 and by 10% in 1986/87 starting April 1st 1986. The Tribunal exceeded the Government's offer which it said it could not exceed by commencing the 12½% award of 1985/86 from April rather than July, thereby adding an extra three months, and by increasing the 1986/87 level of 10% by 2½% more to 12½%.

"Faced with these contradictions, the Tribunal was asked by the Ministry of Public Service to

interpret its decisions. This it did, by correcting only one of the contradictions, admitting it was an error, but remained strangely silent in respect of the other.

"The series of confusions created by the Tribunal's conduct has left everyone embarrassed, Government, unions and employers. As a result, the understandable anger of the five major unions at the Tribunal's conduct has caused them to over-react.

"This over-reaction in a response which promises to boycott the IDT in the future, could prove more harmful to the unions and the workers of Jamaica whom they represent. It must be remembered that the IDT now has power to hear a dispute referred to it, even if only one party to the dispute attends the proceedings of the Tribunal.

"The unions should reconsider this response and concentrate on making recommendations to ensure the integrity of the Tribunal.

"The two members of the panel of the Tribunal who signed the award have acted against the best interest of good industrial relations. I have no doubt that they themselves would agree in the light of the crisis created by their conduct in this matter that their continued membership in the Tribunal could only serve to embarrass everyone and delay restoration of confidence in the Tribunal.

"It would be appropriate to remind the nation that a programme is being developed to strengthen the machinery dealing with industrial disputes and conciliation. We must now speed up this programme."

/9317

CSO: 3298/392

MEXICO

ECONOMIC SECTOR FIGURES DISCUSS REPAYMENT OF FOREIGN DEBT

Call for Eased Terms

Mexico City EXCELSIOR in Spanish 7 Mar 86 p 11-A

[Text] Saltillo, Coahuila, 6 March--The current conditions for generating the nation's wealth in the internal and external plans "have forced us to reduce the payments." However, the head of the Confederation of National Chambers of Commerce [CONCANACO], Nicolas Madahuar Camara, remarked today that the adverse circumstances "do not warrant the failure to fulfill responsibilities."

The business leader was here to chair the meeting for a change in the board of directors of the local CANACO [Chamber of Commerce] now headed by Rodolfo Ramos Villa. At the board meeting, and in the presence of local public officials, Madahuar declared that the request for grace periods or conditions should be based on setting them to cover our liabilities abroad, which "must be done on the basis of offers made by us to solve the internal causes of the crisis."

He noted that we Mexicans "cannot seek a just, equitable, prosperous, international economic order if we are incapable of affording ourselves that order internally."

He said that the only viable option for Mexico at the present time is to limit the amount of the payments to "what we can fulfill." Nevertheless, he requested of the Mexican Government the establishment of "a commitment to the creditor community."

He commented: "Adopting the necessary measures to finance the committed funds is something that need not be a condition imposed by the creditor; it is a necessity stemming from the dignity of the one desirous of fulfilling the commitment."

Hence the need to make an in-depth revision in taboo structures which nevertheless are part of the conditioning factors for our development. There is an urgent need to reorganize the country's primary activities "which play a major role in the nation's existence."

For the same reason, he called upon agriculture to agree to the economy on market terms, without "paternalistic distortions." He also requested changes

in the legal and bureaucratic conditions "which have an effect on economic development."

In conclusion, he told those present that Mexico needs to make changes, "because it is obvious that the course of action adopted in recent times has not produced the results anticipated by those who selected it." He said that we are living at a time when, because it is critical, the presence of the intermediate business entities "has become more urgently needed, as an element for directing the endeavor of private individuals."

Appeal for Fixed Interest Rates

Mexico City EXCELSIOR in Spanish 7 Mar 86 p 10-A, 11-A

[For related report, see JPRS LATIN AMERICA REPORT of 26 Feb 86 (LAM-86-022), pp 116-118]

[Text] Guadalajara, Jalisco, 6 March--Mexico needs to renegotiate its foreign debt to a term of 40 years, with 10 additional years of grace, but with fixed interest rates. It does not require a moratorium nor a stoppage of payments, but we should not make our debt a national penalty either, nor tear our garments; because the economic crisis is one of the government, which no longer has money, and the solution at the present time is a very long-term solution. These statements were made by Julio A. Millan, an economist and head of international consultants, after cautioning that, "We must not poison ourselves with the debt problem."

During an interview, the economist and business consultant observed: "The economic authority has not deprived the president of the republic of power, even with devaluations, a cut in oil prices, and a high inflation rate, because the head of the executive branch is still, from the standpoint of command, a political authority with a strong maneuvering capacity, and the presidential institution is solid. The economic authority is supplementary but, ultimately, the political authority has never competed with the economic because, he noted, the two have, indeed, interacted to achieve power. He claimed that the economic authority does not require a position based on struggle or confrontation."

Millan remarked: "Mexico needs a total modernization, and a radical change in its mentality; it needs to foster productivity, increase investment and savings, and make a structural change in the generation of foreign exchange by giving an impetus to, and developing fishing, tourism, assembly plants, non-petroleum exports, and openness to foreign capital, ridding itself of unproductive state entities. The subject of the interview claimed that the detonator lies in the federal government itself, after noting that we have become the leading debtor nation in the world, and that measures must be adopted to allow for the liberation and modernization of this economy."

The economist declared: "The government has sought, with the levying of taxes, a solution for producing funds when it is no longer possible for business firms

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to raise salaries, in view of so many tax levies and inflation, as well as the scarcity of credit, with the little that is available extremely expensive." He concluded by saying: "It isn't that they are unwilling, the business firms are unable; because of the lack of liquidity, they are paying more for the service on their loans than what they are paying in salaries."

ANIERM President Opposes Moratorium

Mexico City LA JORNADA in Spanish 10 Mar 86 p 9

[Text] The president of the National Association of Mexican Importers and Exporters [ANIERM], Jorge Barbara Zetina, described the declaration of a likely moratorium on the payment of the foreign debt as ridiculous, because it would hamper the efforts being made to attract foreign exchange through tourism, foreign investment, and foreign trade.

He said that, now that it has become more difficult to borrow money abroad, and the price of oil is still dropping, the areas for procuring foreign exchange have become reduced.

"Hence the absurdity of those proposing a moratorium, without considering that the result of the effort to succeed with tourism, foreign investment, and foreign trade depends on our continuing to have the backing and good will of those whom we would harm by ordering a moratorium." Barbara Zetina remarked: "Let's be consistent!"

In brief comments, the head of the exporters also expressed the view that Mexico should devote itself to the production of items that are more competitive and have better quality.

2909

CSO: 3248/276

MEXICO

BRIEFS

PEMEX SUSPENDS NEW PLANT CONSTRUCTION--Chihuahua, Mexico, 27 Mar (NOTIMEX)--
Pemex has definitely suspended the construction activities of its new plant in the northern city of Hidalgo del Parral which had a planned capacity for storing 130,000 barrels. Ricardo Bernal, who is in charge of the project, explained that over 250 employees, who had been building the plant for the last 6 months, were laid off. He indicated that the approximate budget required to finish the plant is of about 4 billion pesos. He noted that 35 percent of the project was completed until 18 March, when the suspension was decided. He said that the main activities of that plant would have been the construction of an oil pipe between Jimenez and Parral passing through the city of Torreon. [Text] [Mexico City NOTIMEX in Spanish 0045 GMT 28 Mar 86] /9599

CSO: 3248/326

NICARAGUA

OPPOSITION VIEWS OF DRAFT CONSTITUTION SUMMARIZED

Managua BARRICADA INTERNACIONAL (ARCHIVES Supplement) in English 13 Mar 86
pp 6-7

[Text] Of the 221 articles in the preliminary draft of the Constitution, 165 were approved unanimously. In other words, there was total agreement on 75 percent of this first draft. The draft will now be submitted to the general population for discussion and suggestions. The 25 percent on which agreement has yet to be reached includes finer issues pertinent to the political programs of each party. This is a summary of the differences voiced.



**Democratic
Conservative Party**

The Position of the Democratic Conservative Party (PCD) according to statements made by representative to the National Assembly, Dr. Clemente Guido.

The current version of the constitutional draft is very vague and open to various interpretations. It doesn't clearly separate the state or the army from the governing party, thus setting up a totalitarian framework. The PCD has prepared its proposals for incorporating additional articles to the Constitution in order to establish the principles of a democratic revolution.

- The preamble should invoke God to show respect for the religious beliefs of the Nicaraguan people.
- The official language of the indigenous communities should be their own native languages.
- The concept of citizenship is very sketchy and doesn't outline the rights and

duties of foreigners residing in the country. The right to dual citizenship should be granted; this is a right enjoyed by citizens of all other Central American nations.

- To enhance the right to health care, it is essential to establish the professional status of medics, paramedics, and hospital administrators. This is essential to prevent health professionals from leaving the country, by guaranteeing upward career mobility, regardless of party affiliation.

- Common law marriages should not be recognized. Concubinage should not be enshrined in the Constitution, although the women and children involved should be protected under the appropriate laws. As it stands, the article effectively invalidates the institution of matrimony by recognizing the validity of both forms for the constitution of a family.

- The participation of workers in businesses where they work must be specified as well as their participation in management and share in the profits.

- A civil service law should be created to establish public administration careers, in order to separate the state from the governing party.

- To reinforce the civil service law, "preventive" articles should be included. One would prohibit state officials from using public funds for party activities, or requiring state employees to participate in political campaign activities. The other would outlaw requiring public employees to participate in party mobilizations or activities during working hours.

- The nation's budget should be approved by the National Assembly after studying the proposal presented by the executive.

- Parliament should also have the right to approve or reject a state of emergency decreed by the president.

- The capital should be considered as just one more municipality, whose mayor should be elected by popular vote and not appointed by the president.

- Consecutive reelection of the president should be outlawed in order to prevent personal consolidation of power.

- There should be proportional representation of all the parties in the executive. As in Europe, ministers should be appointed according to the votes won by parties in the general elections. This would create a government of national unity.

- The chapter on the armed forces does not define the distinctions between the army and the governing party. The apolitical nature of the armed forces and their lack of party affiliation must be specified. The Conservative Party does not object to the name Sandinista Armed Forces as long as there is an article in the constitution clarifying that they are so named in honor of the national hero.

- Representatives from at least three parties should be among the 40 legislators required to introduce reforms to the Constitution.



Independent Liberal Party

Declarations made by Dr. Virgilio Godoy, president of the Independent Liberal Party (PLI), as published by the ACAN-EFE news agency in

February.

The PLI withdrew from the Constitutional Commission of the National Assembly in November, arguing that the national state of emergency, imposed the month before, did not permit the political conditions necessary to discuss the draft of the Constitution.

"The question is not whether this draft on the Constitution will be approved, but rather in knowing whether these laws are going to meet the same fate as the Statute of Rights and Guarantees, which is not fulfilled in practice," stated Godoy. He also asserted that the PLI feels that the preliminary draft had been written long ago.



Nicaraguan Socialist Party

The position of the Nicaraguan Socialist Party (PSN) as stated by Luis Sánchez, representative to the National Assembly.

The constitutional draft is a working document which basically gathers the suggestions of the seven parliamentary parties and highlights the most advanced and progressive material on social rights and guarantees. It attempts to legitimize the gains made by the Revolution, but reveals some political gaps and shortcomings:

- It should prohibit presidential reelection to avoid the dynastic continuity which reigned in the past.

- Approval of the nation's budget should be the responsibility of the National Assembly because it has a direct influence on public life. An additional clause should be included stipulating that if the legislators fail to reach an agreement within a reasonable period of time, the executive will decide on the budget.

- The Constitution should stipulate that municipal governments, including that of the capital, be elected and autonomous in nature (the preliminary draft proposes that the mayor of Managua be designated by the president).

- A chapter should be included on public administration, defining the rights and duties of officials and ensuring political and moral independence in the exercise of their functions. A civil service law should be drawn up.
- Conserve the name Sandinista for the armed forces, as it is part of the political and historical heritage of Nicaraguans.
- No laws should be retroactive except in penal matters where it is to the benefit of the prisoner. This is a conquest of the people in any democratic society.
- Special tribunals should be eliminated (except for military cases) as they are in contradiction with jurisdictional unity.
- A tribunal for constitutional guarantees should be created under the jurisdiction of the Supreme Court of Justice to receive citizen's complaints about abuses committed by public officials in the course of their work. Create the juridical status of a defender of the people in order to protect the constitutional guarantees.
- This same tribunal should rule on appeals regarding laws that may violate the Magna Carta. The number of legislators required to put forth such an appeal should be reduced (the draft indicates 49, of a total of 90).
- The Socialist Party will hold discussions on the constitutional draft with each social and productive sector to gather suggestions according to their area of interest. Later, in general assemblies, the party will hear general opinions in order to present them to the advisory commission of the National Assembly and to the plenary. PSN members will also participate in the town meetings.



Marxist-Leninist Popular Action Movement

The position of the Marxist-Leninist Popular Action Movement (MAP-ML) according to statements made by Carlos Cuadra, representative to the National Assembly.

The MAP-ML totally opposed the constitutional draft because it

institutionalizes the power of the bourgeoisie and capitalist relations of production.

Bourgeois principles such as democracy and mixed economy were off-handedly approved, creating an inadequate framework for the future Magna Carta.

The rights and guarantees of Nicaraguans are formulated in abstract, general terms which could lead, in practice, to the infringement of these rights. The MAP-ML will struggle to guarantee the material conditions necessary to exercise those labor, economic, social and other rights.

The party will continue to participate in the constitutional tasks and defend its observations on the draft's articles before the plenary of the National Assembly.



Communist Party of Nicaragua

Statements by Allan Zambrano, Communist Party of Nicaragua (PC de N) representative to the National Assembly.

The party's executive committee named a commission to study the preliminary draft of the Constitution, and is awaiting its findings before disclosing its official position with respect to the future Magna Carta. Nonetheless, the PC de N indicated that it was unacceptable that elements of representative democracy should be surreptitiously introduced in the draft in contradiction with the current historical conditions of a country in revolution. The very definition of the Nicaraguan state is not clear.

In reference to citizen's rights, the constitutional draft is ambiguous, as is any bourgeois constitution in which those rights may or may not be granted. The party proposes a more categorical draft, which stipulates that those rights cannot be denied.



Popular Social Christian Party

The position of the Popular Social Christian Party (PPSC), according to its secretary general, Mauricio Díaz.

The first draft is no more than a working document, and the PPSC has reservations in regard to both form and content. A good part of the articles are ambiguous and imprecise and the real issues have yet to be addressed. The party agrees with 40 percent of the document as it stands, but is preparing its own constitutional draft for submission to the Assembly. Among the PPSC's reservations are the following:

- The preamble should invoke God out of respect for the religious beliefs of the people.
- The section on democratic principles should establish the type of political system, the periodicity of elections, and the alternation of parties in power.
- The right of different parties to hold power should be ordained in the article on political pluralism.
- The mixed economy must be clearly defined and its concept should be broadened to establish it as a permanent model.
- The state should not regulate economic activity because it will wield too much power, negatively affecting the principle of a mixed economy.
- People's property (belonging to the state) is an abstract concept; it would be better to establish workers' property, which clearly implies that they own, direct and administer the properties.
- As it stands, the document does not offer sufficient protection of private property. It deals with indemnity, but does not clearly establish legitimate cause for depriving a person of his or her property.
- Educational policy should be formulated by the state along with the media and parents, instead of being solely regulated by the state. Religion should be taught not only in private institutions but in public schools as well,

leaving the final decision to the parents. A full 10 percent of the national budget should be assigned to the universities.

- The Sandinista character of the armed forces should be eliminated; it is inadmissible because it institutionalizes the confusion between the state, party and army. The armed forces should be national and independent of party affiliations.

- Legal status should be given to conscientious objectors to Patriotic Military Service, on the grounds of religious belief.

- The executive and legislative branches should be more equally balanced. The National Assembly should discuss and approve the nation's budget, rather than just being informed about it by the president.

- The executive branch has too many functions. For example, it both regulates laws totally or partially and appoints the mayor of the capital.

- Reelection of the president should be outlawed; at present this is not addressed in any article.

- An independent tribunal should be created to rule on the constitutionality of actions, decisions and laws. This tribunal would not fall under the jurisdiction of the Supreme Court. Also, the institution of "people's advocate" should be established in order to file such appeals and defend the citizenry against the state when it acts arbitrarily.

- The right of political parties and the defender of the people to bring charges against the state for unconstitutional actions should be established. (At present, this right has been conferred only to the executive, the president of the Supreme Electoral Council, 49 delegates to the National Assembly or a petition bearing 30,000 signatures).

- No reforms to the Constitution should be permitted for 10 years after its enactment. (The present draft states that the National Assembly may reform the document partially on initiative of the president, 40 delegates or a petition bearing the signatures of 40,000 citizens.) Any motion to reform the Constitution should be approved by two thirds of the parliament and later submitted to a referendum.

- The Magna Carta should be submitted to a referendum for approval.

ST LUCIA

'THRONE SPEECH' CITES WAR ON DRUGS, REGIONAL SECURITY

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 86 p 6

[Text]

CASTRIES, Mar. 26, Cana — ST.LUCIA is planning to step up its anti-drugs campaign, with legislation providing for mandatory prison terms and property confiscation, Governor-General Sir Allen Lewis said yesterday.

He also said Trinidad and Tobago would be asked to become involved with St. Lucia and six other Caribbean countries in a Regional Security System (RSS).

Sir Allen made the disclosures in the traditional Throne Speech to the opening of the St. Lucia Parliament.

He told Parliament: "Mandatory imprisonment will be provided for the offer of narcotic substances to minors, while the properties of these merchants of destruction will be confiscated if such ill-gotten gains are traceable to trafficking in drugs."

Sir Allen said the St. Lucia Government will co-operate with regional and international organisations to ensure that no haven or sanctuary is provided here for people in the illegal drugs business.

The RSS members are St. Lucia, St. Vincent and the Grenadines, Dominica, Grenada, St Kitts-Nevis and Antigua and Barbuda and Barbados.

It is expected that during the year present security arrangements will be formalised by the ratification of a security treaty between the Organisation of Eastern Caribbean States (OECS) and Barbados, Sir Allen said.

He told Parliament that afterwards approaches will be made to Trinidad and Tobago to determine the extent of co-operation in security matters.

Ethnic Origins

The security system came into being in October 1982 with the signing of a memorandum of understanding in Dominica.

Under, this pact, any one country can ask the other members for assistance in a wide variety of situations.

Trinidad and Tobago sent observers to the military exercises conducted in St. Lucia late last year among the members of the system.

Sir Allen said that recent events in Haiti presented an opportunity for Commonwealth Caribbean Governments to provide a bridge upon which that disturbed and unfortunate country can cross over into the mainstream of Caribbean affairs.

He said: "Our geographic proximity, our ethnic origins and, in two of our countries, the religious, linguistic and cultural affinity provide compelling reasons for some initiative on the part of Caribbean Governments. This opportunity to render humanitarian assistance should not be missed.

A new Government has taken over in French-speaking Haiti, following the flight of President-For-Life Jean-Claude Duvalier.

The Governor General also made passing reference to another troubled region, Central America, reiterating that the root causes of the conflict are social and economic legacies of exploitation and cannot be resolved by military means.

He said: "Government, therefore, supports the efforts of the Contadora Group to bring peace to the troubled region."

/9317

CSO: 3298/393

ST LUCIA

BRIEFS

COMPTON-UNION TALKS--Castries, Mar 27, Cana--St Lucia's Prime Minister John Compton says he is willing to meet public service unions and the International Labour Organisation (ILO) to discuss a claim for backpay at the centre of a dispute between Government and State-paid workers. Compton's statement to Parliament was the first official Government response to charges by the Committee of Trade Unions of unfair industrial relations practices by Government. The charges were made after the committee accused Government of altering the implementation date of industrial agreements with public sector unions to avoid paying backpay owed to public servants.
[Text] [Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 86 p 14] /9317

CSO: 3298/393

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